



THE INDEPENDENT

№ 3237

RSDAY 6 MARCH 1997

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Major and MPs bicker over gaffes

EXCLUSIVE

by Colin Brown, Chief Political Correspondent

Colin Brown
Chief Political Correspondent

Senior Tory MPs are so jittery about the party's electoral outlook that they have privately visited John Major to complain that the Government is skidding about on "banana skins". They protested about recent ministerial gaffes, confused messages and blurred party leadership.

On Tuesday night, officers of the party's 1922 Committee, including nearly 20 of the senior Tory backbench MPs, led by Sir Marcus Fox, chairman of the 1922, went to the Prime Minister to underline the growing anxiety on their benches at the recent disarray in the Cabinet. Mr Major, by all accounts, was deeply irritated.

They complained strongly about the disarray between Stephen Dorrell and Michael Forsyth over devaluation between Kenneth Clarke and Malcolm Rifkind about "hostility" to the European single currency, and Mr Dorrell's gaffe in ruling out ERM entry in 1999. All these fumbled messages had damaged morale, they told Mr Major.

The 1922 executive officers, who include some of the fiercest-serving Tory MPs, gave their backing to the Tory Party chairman, Brian Mawhinney, but complained about the confusion over who was in charge of the Conservative election campaign being mounted by Conservative Central Office.

One Tory MP who was there said: "Brian is doing a very good job. He is hard hitting, and can

put Labour on the spot. But there are too many chiefs."

The Prime Minister's friends dismissed the backbench complaints as a "whinge list" and said Mr Major had shown them a firm smack of leadership.

"They came with a fairly lengthy whinge list, but the PM sent them away with a flea in the ear," a former minister said.

They came with a fairly lengthy whinge list, but the PM sent them away with a flea in the ear.

Mr Major is said to have impressed the group with his determination to lead from the front in the campaign for the election, which they were convinced will be on 1 May. "It will be a very personal campaign. He is very relaxed, and is pretty upbeat, now that the docks are being cleared," said another Tory source.

The group emerged with a conviction that Mr Major is planning a long campaign with polling day on 1 May, and that he will use the Conservative Central Council in Bath on 14 March as the springboard for the Tory fight-back against

Labour's lead.

With only eight weeks to go before the election, the arrival of the senior officers of the Tory backbench to complain about the confusion over the campaign may be seen by Mr Major as a further "banana skin", and he will be irritated that the meeting had leaked.

The Tory Party chairman was keen at the weekend to answer criticism about the confusion surrounding the Tory campaign by declaring "I'm in charge". There is continuing concern, however, that the Tory campaign in the heat of battle will face interference from others close to the leadership, including Lord Satchel, Michael Heseltine, the deputy Prime Minister, David Willetts, head of research, Danny Finkelstein, the director of research at Conservative central office, and Charles Lewington, the director of the party's communication and press office.

Mr Mawhinney killed the "tearful lion" poster campaign, which many Tories felt had missed the point. He overruled Lord Satchel by insisting that the latest poster, "Tony and Bill", should be tested with a group of voters before it was given the go-ahead.

The MPs who met the Prime Minister believe that the latest campaign posters are on the right lines, by attacking Labour's spending commitments, but they want the campaign to be more hard-hitting, and above all, they want the Cabinet "singing from the same hymn sheet".



When smoking was cinema chic: Audrey Hepburn in *Breakfast at Tiffany's*. BAT are close to settling with US lung cancer sufferers of her generation Photograph: Paramount Pictures

Cigarette makers pay their debt to early cancer victims

Tom Stevenson and Patricia Wynn Davies

Pressure mounted on the two biggest British tobacco companies to settle claims from lung cancer victims yesterday after BAT held out the prospect of a multi-billion pound settlement with thousands of smokers in the United States.

BAT, maker of one in ten of the 5.3 trillion cigarettes smoked every year, said for the first time that it would consider a "sensible proposal" to resolve its 40-year stand-off with the anti-smoking lobby, although it stopped short of admitting liability for any deaths.

Martin Broughton, chief executive of London-based BAT, which makes Lucky Strike, Kool and Benson & Hedges in the United States, said the cost of litigation and the impact of outstanding American court cases on shares had forced it to consider a deal.

He added: "There ought to be a sensible figure... that would get lawsuits off our agenda and let us get on with running our business."

The climbdown is a dramatic development after four decades in which the industry has consistently refused to admit the harm cigarettes cause and boasted of how it has never paid a cent in damages.

While BAT does not sell cigarettes in Britain, the company's shift in attitude could have important implications for claims by British smokers against two other tobacco giants. In the first group legal action in the UK, 40 cancer victims are claiming that Gallaher, which makes British

Benson & Hedges and Silk Cut, and Imperial Tobacco Group, which makes Embassy and Players, negligently failed to cut tar levels in their products when it became clear that this would have reduced cancer among smokers.

Martyn Day, of Leigh, Day & Co, the solicitors co-ordinating the case, said: "I think there is no question that BAT considering settlement will have a very big impact on the cases here, because of the effect the smoking litigation has had on share prices."

"We know that the prices have been severely depressed here. By having some sort of resolution they will lift the cloud that is hanging over their heads. The pressures from stockholders in Gallaher and Imperial will be very great," he said.

Mr Day has estimated that if the two companies lost, they could be at risk of claims for the next 10 to 15 years from smokers who took up the habit in the late 1940s and early 1950s, the heyday of cigarette advertising when the joys of tobacco were also at the heart of cinema chic. Taking an average claim of £50,000, that could cost them £1bn to £2bn a year over the 10 to 15 year period.

Ash, the anti-smoking group, has been urging investors to take note of the legal action when considering whether to invest in the tobacco industry. But Ash is concerned that the tobacco conglomerates might settle cases in America and Europe, but largely unregulated sales would continue unabated in the Third World.

BAT results, page 18
Business Comment, page 19

Lilley unveils his pensions revolution

Frank Abrams
Political Correspondent

The Government shook one of the main pillars of the welfare state last night as it announced plans to hand pensions over to the private sector.

The basic state pension is to be phased out over the next generation if the Conservatives stay in power, along with the State Earnings-Related Pension Scheme, Serps.

The revelation brought a delighted reaction from the City, which stands to win massive amounts of new, state-subsidised business from the changes announced by John Major and his Social Security Secretary, Peter Lilley.

Mr Major denied that the announcement was designed as an electoral ploy, but he must hope it could encourage the same instincts among voters as the announcement of home-ownership did during the 1980s.

"For years we have pursued a strong and consistent policy of encouraging personal ownership by individuals and families. It enables them to provide for themselves... with self-reliance comes self-respect and greater freedom of choice," he said.

The plans, worked on by ministers over many months and agreed by the Cabinet on Tuesday, would not be completely in place until 2040. They would allow most of today's employees to stick with their current pen-

sion arrangements but would furnish anyone now in their teens or younger with a new Basic Pension Plus.

Each employee would have two pensions - a basic pension

occupation. In 1950, five working people contributed to each old age pension, he said, but by 2030 there would be three pensioners for every five working people.

Labour said the plans would

INSIDE

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Labour split over Serps;
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Major challenged to live on monthly pension, page 9

and a top-up fund, to which they could add extra, voluntary contributions if they wished.

Mr Lilley said the proposals would bring about the largest extension of personal ownership since the increase in owner-oc-

cupation. In 1950, five working people contributed to each old age pension, he said, but by 2030 there would be three pensioners for every five working people.

Labour said the plans would

Chancellor, said that in the year before the first private pension-holders retired, the state would face an extra £7bn payment.

The tax and spending problem with the Conservative pension proposals is utterly basic: there are huge front-end costs which will run into billions of pounds and mean higher taxes for everyone. The question Mr Major and Mr Lilley have refused to answer is: how much?

Conservative sources said the equalisation of men's and women's retirement ages and 1995 reforms to Serps would save £13bn per year and more than fill the gap.

The Labour leader, Tony

Blair, added: "A vote for the Conservatives when Mr Major finally calls the election will be a vote for the privatisation of the state pension, a vote for more insecurity. And it will also be a vote for higher taxes."

The Association of British Insurers was enthusiastic. Its director general, Mark Boleat, said: "Individuals will have a real sense of ownership in their pension arrangements and be able to see much more clearly what provision they are making and how their pension fund is building up."

The Consumers' Association warned that the "appalling track record" of the private pensions industry could come back to haunt future governments.

QUICKLY

Electoral choice
Labour yesterday promised to offer voters a choice between the present, first-past-the-post system and proportional representation in time for a new millennium election. Page 6

Swiss offer deal
Switzerland yesterday announced plans to endow a £3bn foundation for victims of Nazi genocide. Page 5

Leading article, page 15

Albania clashes
Southern Albania was the scene of a massive security operation, including soldiers equipped with tanks and armoured personnel carriers, but armed civilians appeared to come out ahead in early fighting. Page 10

Test cricketers sent to charm school

Nick Duxbury

The Labour Party has done it, the Tories did it years ago and now the England cricket team are to bring in the professionals to smarten up their image on the campaign trail.

England's history of flying the flag on tour to the far corners of the globe is littered with diplomatic incidents, and HQ at Lord's has decided that a PR make-over will prevent the kind of misconception that the team suffers from a "superiority complex".

Every player involved in the winter tour of Zimbabwe and

New Zealand, plus five or six others on the fringe of the senior side, are to attend a two-day charm school next month which will teach the team that tact can be just as effective as tactics.

David Lloyd, the England coach and one of the forces behind the initiative, knows full well that a few unchoice words can do a lot of damage. After annoying the Zimbabweans with claims that England had "flipped" murdered them in the drawn First Test, he later explained that his players were under-performing because they preferred "the food, climate and

people of New Zealand". For bigger gaffes, however, few come close to the comment of Ian Botham - part of the England coaching team this winter - who in 1984 said that Pakistan "is the sort of place every man should send his mother-in-law for a month, all expenses paid".

A present England player, the bowler Phil Tufnell, whose signature tune "Cigarettes and Alcohol" by Oasis gives the PR gurus plenty to work on, summed up his feelings on the 1993 tour of India thus: "I've done the elephant. I've done the poverty. I might as well go

home." Michael Atherton caused offence at last year's World Cup for his response to persistent questioning by a local Pakistani journalist. "Will someone remove that buffoon," an exasperated England captain said.

Now all is to change. "The seminar will take the players through the whole issue of training them to represent their country," Lloyd said of his new sporting ambassadors. "We will look at the problems we had in Zimbabwe, and we will discuss what is coming up. The whole subject of preparing players will be addressed."



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news

significant shorts

Anonymous Labour fund given the all-clear

The Labour Party's fund to raise money from anonymous donors has been given the all-clear by an all-party committee of MPs which has decided not to investigate it. The controversial "blind" fund was set up in 1995 as a way of raising money in such a way that the identities of the donors were not known to anyone in the party apart from the board of trustees, chaired by Lord Merlyn-Ross, the former Home Secretary.

The fund was the subject of a complaint by David Shaw, the Tory MP for Dover, who last year wrote to Sir Gordon Downey, the Parliamentary Commissioner for Standards, suggesting it was "inconceivable that a donor would not seek to draw the receiving MP's attention to his donation at some time". However, the Labour Party had taken the precaution of checking with Sir Gordon whether the fund breached parliamentary rules, and Sir Gordon felt he had to refer the complaint to the Standards and Privileges Committee.

Now, the committee has effectively rejected the complaint by deciding that it would only consider the allegation that Mr Blair knew about the identity of donors to the fund and has asked Mr Shaw to provide evidence on that point, which is likely to prove impossible.

Christian Wolmar

Child hammer victim was tortured



Detectives hunting the killer of Lin and Megan Russell revealed yesterday that Lin was bound and gagged during the hammer attack and a shoelace tied round her six-year-old daughter's neck to make her comply with the killer's demands.

Lin, 44, and Megan were found bludgeoned to death on a footpath near their home in Chillingham, near Canterbury, Kent, on 9 July last year. The mother's elder daughter Josie, nine, survived the attack.

'Mail' escapes contempt charge

The newspaper which branded five unconvicted men as the murderers of Stephen Lawrence will not face contempt of court proceedings. The office of Sir Nicholas Lyell, the Attorney General, said yesterday: "The Attorney General has considered carefully the suggestion that articles published by the *Daily Mail* following the inquest into the death of Stephen Lawrence might constitute contempt of court at common law. He has concluded that proceedings for contempt would not be justified."

Alcoholic surgeon cleared by Sheriff

An alcoholic surgeon was yesterday cleared of causing the deaths of two elderly patients who died following operations he performed.

In a ruling into the deaths, Sheriff Principal Gordon Nicholson found surgeon Gerald Davies, 49, could not be held responsible for the deaths of Lillian patients Willie Callaghan, 69, of Bridgend, and 56-year-old Ann Halloran, of Livingston. Both died after undergoing bowel operations carried out by Mr Davies at St John's Hospital, Livingston.

Twelve arrested on abuse charges

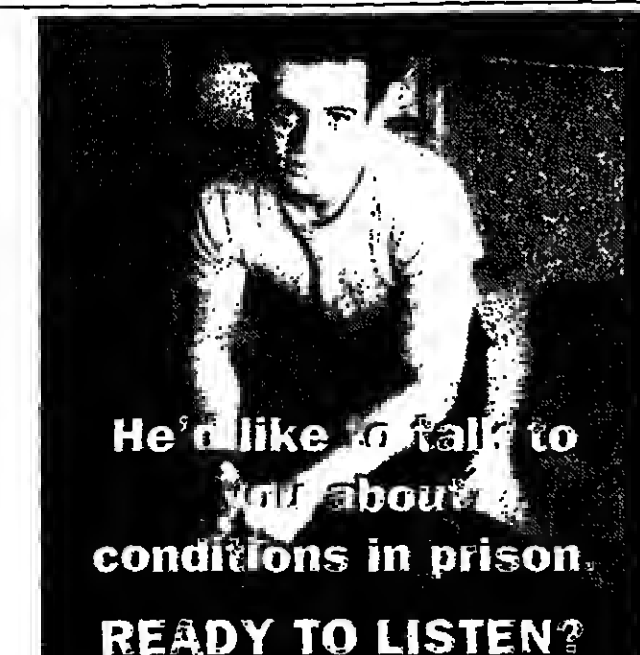
Twelve people have been arrested following a major investigation by police into child abuse. Seven children, aged between four months and eight years and from two households, have been taken into emergency care as a result of the inquiry.

Police made the arrests early yesterday morning when they executed eight warrants in Portsmouth and went to another address in Aldershot, Hampshire.

THE INDEPENDENT ABROAD

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Belgium	£5.00	Germany	£5.00
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Czech Rep.	£5.00	Ireland	£5.00
Denmark	£5.00	Italy	£5.00
Finland	£5.00	Japan	£5.00
France	£5.00	Netherlands	£5.00
Germany	£5.00	Norway	£5.00
Greece	£5.00	Portugal	£5.00
Ireland	£5.00	Spain	£5.00
Italy	£5.00	Sweden	£5.00
Japan	£5.00	Switzerland	£5.00
Netherlands	£5.00	USA	£5.00
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people



Dr Carey: 'What matters is your own integrity, what you really believe in' Photograph: Tom Pritchard

Essex Archbishop captured by fly on the vestry wall

Second only to the Royal Family in the British establishment, the Archbishop of Canterbury is a modest Essex man who keeps his wife's teddy bear in the bedroom, supports Arsenal Football Club and has a gentle sense of humour.

This is the picture of Dr George Carey to emerge from an unprecedented fly-on-the-vestry-wall documentary series, to be screened across the ITV network next month, which sets out to show both the public and private sides of the first working-class head of the Church of England.

But above all, the series shows, he is a man of unshakeable faith, with a determination to make the Church face up to the realities of the end of the 20th century. "My wife teases me that I have 100 good ideas every day but only one is good. But if I am convinced that an idea is God-given it will take a lot to knock me out of the driving seat," he tells viewers.

And when the Radio 4 broadcaster John Humphrys pushed hard for Dr Carey to comment on adultery, following the announcement of the Prince and Princess of Wales' divorce, he revealed what can only be described as an irreverent wit. "Nasty man," he smiled to his press secretary when the microphone was switched off.

Dr Carey grew up in Dagenham and is proud of the

fact that he can call himself a true Cockney, born with an earshot of Bow Bells. Although he was brought up in a God-fearing family, his parents did not go to church, chiefly because his mother did not have a hat.

His determination to succeed stemmed from failing his 11-plus exam, after which he vowed that "by hook or by crook I was going to get there". He originally wanted to join the Merchant Navy as a radio operator but ended up in the RAF and it was there he heard his calling. On being told by a young ordinarist that he would "never make it" he became determined to prove the doubters wrong.

Dr Carey met his wife, Eileen, in 1960, when he was 20 and she was 17. They had met at their local parish church in Dagenham.

Nowadays, when the couple have a few days off, they escape to their flat in Bristol, where they read "talk a lot" and play Scrabble. "She nearly always wins, so I learn the grace of humility when I play with her. Despite being troubled by what he perceives as society's moral shortcomings and frequently depressed by his portrayal in the media, he is still able to draw on "an inner reservoir of cheerfulness".

"You have to say 'don't worry about it, that will one day be forgotten. What really matters is your own integrity, what you believe in'." Kate Watson-Smyth

Future is all in the past, says Clarke

A technology that was barely nascent 25 years ago let the scientist and author Arthur C. Clarke (right) sit at home in Sri Lanka yesterday and offer his vision of the next quarter-century to a conference in London.

Via a satellite video link, Dr Clarke, 79, predicted Dick Tracy-style high quality wristwatch video telephones by the end of this century, and a computer at least in every village - if not every home - in the developed world.

The key to understanding the future was the evidence of the past, he told the Convergence 97 conference, whose theme is the convergence of computing, media and communication industries. "Twenty years ago most offices did not have a fax machine, and still used typewriters. Now the fax machine is being replaced by e-mail and the typewriter is almost redundant," he said. "But all this is just a beginning. Everyone will soon have access to everyone else."

However, he said he feared some of the consequences of changing technology - especially the information explosion and what he called "information pollution".

Dr Clarke is best known for the book and film 2001: A Space Odyssey, and its sequels. The lat-



est book, 2001, is published at the end of this month.

He is famous for predicting satellite communication back in the 1940s, and has published numerous serious scientific papers dealing with emerging and anticipated technology, as well as dozens of best-selling science fiction novels and his well-known "Clarke's Laws".

He ended his speech yesterday with a light-hearted warning to conference delegates, telling them: "Maybe our successors, the computers and intelligent machines, which will be running the world for us, will get fed up with humans and get rid of us. If they do, it will serve us right."

Charles Arthur

Bangkok connection for Queen's new press assistant

A Briton who went to live and work in Thailand under university, and was asked to help with the Queen's state visit to Bangkok last year, has been appointed as assistant press secretary to the Queen.

David Tuck, 30, will take up his new appointment next week. Buckingham Palace announced yesterday.

He fills the vacancy created by the promotion of Penny Russell-Smith to be deputy press secretary, when Geoff Crawford succeeded Charles Anson last month as press secretary.

Mr Tuck, who was educated at Westminster School and University College, London, worked for the British Embassy in Bangkok after deciding to stay in that part of the world.

He was not a career diplomat but was employed locally at the embassy, said a Palace spokesman.

Since 1995 he has been head of the British Trade Office in Vientiane, Laos, but last year agreed to return to Thailand to help with press arrangements for the Queen's visit.

Blokeish Baker's bubble finally bursts

Like the bubbles in the football fans' song, Danny Baker, the motor-mouth radio and TV presenter, may have climbed too high. Baker, the embodiment of "bloke" culture, was yesterday sacked by BBC Radio 5 Live for encouraging fans to make a referee's life hell after the official awarded a controversial penalty in the Leicester v Chelsea FA Cup tie last week.

Baker made his name as the football fans' champion on London radio station GLR in the late Eighties, before presenting his own BBC 1 chat show and endorsing soap powder. Recently he has returned to radio, although he is still a scriptwriter for his friend Chris Evans' *TFI Friday* show on Channel 4.

During his Wednesday evening radio show last week he also encouraged journalists to: "Go out and do the referee like he was a member of Oasis." Baker harangued callers to his show, *The Baker Line*, who disagreed with his view of the penalty.

Last November he got into trouble for telling Tottenham Hotspur fans, angry at their team's performance, to throw their match programmes onto the pitch - which is against the law.

Roger Mosey, controller of Radio 5 Live, said Baker's outbursts could no longer be tolerated. "This wasn't the first occasion when he crossed the dividing line between being lively, humorous and controversial and being insulting to the audience."

Baker refused to continue working for Radio 5 Live on his Sunday afternoon show, but will stay with GLR for the time being.

But not all of his bubbles have burst. Talk Radio, the commercial radio station which made a failed bid to lure Chris Evans when he walked out of Radio 1 in January, claims it will have Baker on air "in the very near future".

Paul McCann

briefing

HEALTH

Shortage of medical staff in NHS casualty units

Britain's casualty departments lack doctors, nurses and intensive care beds, says a survey published today. Intensive care beds make up only 1 per cent of all NHS beds, compared with 6 per cent in the US, and mortality rates are higher.

Nine out of 10 accident and emergency consultants said that medical staffing levels were inadequate, while three-quarters thought that nursing levels were too low. Many said that they were working at or beyond safety limits.

The survey, commissioned by the Association of London Government and UNISON, found that the situation in London was especially acute, following the closure of almost 3,000 of the capital's beds (14.2 per cent) since 1991 - twice the national average rate. Bed occupancy rates in London hospitals are 95-100 per cent, well above the recommended level of 80-85 per cent, which would allow for emergency admissions.

Ask: NHS in Distress, NHS Support Federation. Tel: 0171 633 0801. Annabel Ferryman

UTILITIES

BT discounts are false economy

Most domestic telephone users would still be better switching from BT, despite its discount schemes, the Consumers' Association said yesterday. Its research was published as figures showed some 87,000 customers a month are leaving BT for cable telecom companies - an increase of almost 50 per cent on the last published rate of 60,000 a month.

The analysis by Which? magazine found that BT remains the most expensive option for most consumers, with many saving up to 20 per cent by switching to other providers.

When all the companies were compared using a typical quarterly bill, including rental costs and all UK calls, all of BT's plans were cheaper, even after the widely advertised discount schemes were taken into account. Only people whose call bills were less than £12.69 per quarter got a better deal from BT than the cable companies. Those which came out best were Bell Cablemedia, Cable London, ComCast (Besside), Ionica and Nynex - consistently a fifth or more cheaper.

Glenda Cooper



EMPLOYMENT

Women face pay discrimination

Women are out of work for shorter stretches of time than men, but still suffer from pay inequality, a new official report claimed yesterday. A third of unemployed women have been jobless for less than three months, compared with 22 per cent of men.

Around 28 per cent of women have been out of work for longer than a year, well below the 45 per cent of long-term unemployed men, according to Labour Market Trends, produced by the Office for National Statistics.

The average hourly wage for full-time women workers is £7 - 80 per cent of that for men (£8.75). Part-time earnings are roughly the same for both sexes, at just over £5 an hour.

The number of women with jobs has increased by 1.3 million in the last decade. Half of those are part-time workers. Overall, women form an increasing proportion of the workforce, representing more than 43 per cent last year, the report said.

FINANCE

Trial tames taxman's image

A quarter of finance directors have lost faith in the Inland Revenue in the wake of the corruption scandal surrounding maverick tax investigator Michael Allcock. According to a survey published today, the finance chiefs said the affair was a "poor reflection of the Revenue's management control".

Allcock was jailed for five years at the Old Bailey last month for taking bribes. The former inspector was convicted of six charges of corruption - but cleared of five others. The case has shaken the Revenue to its 300-year-old foundations.

The survey of 200 finance directors, conducted by Accountancy Age magazine and Reed Accountancy Personnel, found a quarter also believed Allcock was "unlikely to be an isolated incident". One said: "It has shattered my respect for their integrity."

SCIENCE

Healing properties of tobacco

Tobacco could one day be good for us - or at least tobacco plants might, by producing artificial blood. A team of French scientists has genetically modified tobacco plants so that they produce haemoglobin, the molecule essential for carrying oxygen around the body, in their roots and seeds.

The genes for two different protein "subunits" are needed to make haemoglobin, and have to be assembled into the correct formation. When the researchers added the genes to the plants, they found that haemoglobin was produced - and that when extracted and purified, it functioned just as in the human body, binding both to oxygen and to carbon monoxide.

Reporting on their work today in the science journal *Nature*, the team hope that such transgenic plants could in future provide a cheap and safe source of various human proteins.

At present, the haemoglobin used for a range of artificial blood substitutes is mainly derived from human donors, animal blood or genetically engineered animals. But those sources all carry the risk of contamination and infection.

Charles Arthur

ASTRONOMY

Evidence found for binary stars

Cinemagoers have known since *Star Wars* that planets can orbit around double, or "binary", stars. Like *Star Wars*' home planet has a double sunset. Now astronomers have caught up. Today in the science journal *Nature* they reveal the first evidence to back up the cinema vision, in the form of images of a dust disk around a binary star system more than 1,000 light years away.

Although planets or asteroids around other stars cannot be seen directly through telescopes, astronomers believe that the fine dust they generate could be revealed as a disc lit up by reflected light. However, only one other example of such a dust disc has been seen before, around the star *Beta Pictoris*.

The new finding is important because more than half the stars in our galaxy are members of binary or multiple systems. The binary star now thought to be a potential candidate for a planetary system is known only as BD+31°443. It is 1,075 light years from the sun, in the constellation of Perseus.

Charles Arthur



NEWSPAPERS SUPPORT RECYCLING
 Recycled paper made up 41.2% of the raw material for UK newspapers in the first half of 1996

Going bananas over mutton dressed as art

Phil Reeves
Moscow

There are black eyes and cut lips. There are scores of outraged witnesses. There is a crime scene, staided by a pool of blood. And there is a decapitated corpse. A cut-and-dried case, you might think? Nothing is that easy in the world of performance art. The sacrifice of a sheep at an art fair in Moscow and the ensuing fight pitted ethics and freedom of expression in a squabble which rivals that over Damien Hirst's notorious cows. It happened at the fair's opening at Moscow's Central House of Artists. The moment they saw performance artists from Kazakhstan bringing in a sheep, a group of German artists became convinced that it was doomed to die. They pleaded for its life. They organised a petition. One of their number - Simon Stockhausen, son of the composer - played the saxophone to the animal, to calm it down. All in vain. Watched by dozens of horrified guests, the Kazakhs slaughtered the sheep, smeared its entrails over their bodies, and drank the blood

from sacrificial cups. It was, one told the *Moscow Times*, a painless traditional ritual - or legitimate performance art. The Germans, a group called Banane, disagreed. They specialise in the less bloodthirsty "art" of spraying bananas on world monuments, and have already left their mark on the Kremlin gates. After hearing shrieks from the guests, they stormed the Kazakhs and launched into a five-minute fight in which the exhibit - an abstract affair involving blood, milk and blue water (the colours of the Russian flag) - was wrecked. The Kazakhs have since been banned from the exhibition. But the arguments go on. The Germans are still furious, saying the Kazakhs achieved nothing more meaningful than cruelty. But, worse, they were also passé, as sacrificial art first began in the sixties. "This kind of sacrificial art is clichéd now," said Thomas Baum-Gärtel. But the Kazakhs have their defenders, including one of Moscow's top gallery owners, Marat Gulman, host of several Kazakh chicken slayings, who accused the Germans of "shocking snobbery" and ignoring national traditions.



Fruity flavour: Helmut Kohl and Boris Yeltsin made from banana shapes by the German Thomas Baum-Gärtel at the Central House of Artists in Moscow. Photograph: Reuters

BBC sells its beasts, toffs and Daleks to the world



Star attractions: Sir David Attenborough and Michael Palin, whose programmes are among the top sellers



Rob Brown
Media Editor

Brighton brightened up yesterday, but the sudden burst of sunshine didn't cheer everyone on the rain-soaked Sussex coast. The improvement in the weather was an unwanted distraction for a weird bunch of people who were perfectly content to huddle indoors and watch television morning, noon and night.

On Sunday afternoon the Brighton Centre was taken over by 400 television executives drawn from 90 broadcasters in 40 countries.

Once again, programme buyers from all parts of the globe came, saw and concurred that no other media organisation anywhere on the planet can match the British Broadcasting Corporation in the consistent quality stakes.

This was the 21st anniversary of BBC Showcase, an annual jamboree in which Auntie Beeb pitches her best programmes to an admiring multi-lingual audience.

But what started off as an amateurish little affair involving a quick trawl through the archives and a few trestle tables has ballooned into one of the biggest events in the broadcasting calendar.

Auntie is becoming an ever more aggressive exporter as she endeavours to supplement her license fee income by developing the BBC as a global media brand.

Ruby Wax, Sir David Attenborough and Michael Palin have all been brought down to Brighton to sprinkle some stardust on the grey promenade.

BBC Worldwide, the organ-

isation established to pursue this enterprising strategy, generated £131m from programme distribution last year, bringing £77m in gross value to the BBC. Its aim is to treble this commercial return during the current 10-year charter period.

Directing its international distribution network is a 30-year-old Hispanic-American woman called Fabiola Arredondo. Head-hunted from the German media giant Bertelsmann, she has clearly been in her element over the last four days, using her multi-lingual skills and negotiating nous in order to cut an endless succession of instant deals.

‘An amateur little affair has ballooned into one of the biggest events of the calendar’

"I see a real opportunity for the BBC to develop a terrific brand which has, up to now, been rather under-exploited internationally," she says, weaving her way through the tightly-packed viewing booths.

The 400 buyers are each assigned their own makeshift booth, kitted out with a portable television and a video recorder. Apart from a few famous props strategically dotted around the place, such as Del Boy Trotter's beaten-up yellow van from *Only Fools and Horses*

and the hideous costumes from *Red Dwarf*, it has the air of a modern university library.

Most of the buyers only remove their headphones and emerge from behind their hardboard partition when they want to borrow another tape, or stretch their legs, pop out for a quick smoke, and slap down a coffee in the adjoining café.

"The BBC has been the best for years and we're prepared to pay more for its consistently high standards," enthuses Dieter Kaiser, one of a three-strong delegation from WDR in Cologne, during a lunch break at the Grand Hotel.

The Germans, along with many others, are wild about wildlife programming and simply can't get enough from David Attenborough and his colleagues at the BBC Natural History Unit in Bristol, which is currently celebrating its 40th anniversary.

Since the collapse of Communism, the East European networks have also become steadily bigger customers. Although their resources are limited, they are assiduously cultivated by Maria Burguera, BBC's senior sales executive for Russia and Eastern Europe, who, like her boss, has a Hispanic background.

Serbia's broadcasting corporation was banned from the BBC Showcase at the height of the Balkan conflict, so its head of acquisitions, Nada Pejovic Hadzic, is happy to be back in Brighton for the fourth time in 10 years. "We cover a smaller transmission territory since the death of Yugoslavia, so we need to buy more from abroad to fill our schedules," she said.



Multi-lingual: Fabiola Arredondo, 30, who was head-hunted from a German media giant to direct BBC Worldwide's international distribution network. Photograph: Andrew Hasson

South African networks have also had a strong presence since the death of apartheid ended the Equity-inspired ban on television exports.

Pauline Cunningham, from the pay-TV service M-Net, is snapping up all the classic com-

edy and drama series that her compatriots were deprived of when they were international pariahs. She has brought *Fawlty Towers*, *Yes, Minister* and *The Manor Born* to M-Net's 1 million subscribers.

She finds her annual trip to

Brighton "far more civilised" than the other big television markets, which are held in more glamorous locations, such as Monte Carlo and Cannes. "We can actually sit back and watch a whole series if we want," she said.

BBC best-selling programmes		
Title	Country	Rank
The Living Planet	Natural History	82
Flight of the Emperor	Natural History	24
Doctor Who	Drama	74
Animal Opponents	Natural History	67
The Six Wives of Henry VIII	Drama	68
The One and Only	Drama	68
Supernature	Natural History	66
The Impossible Bird	Natural History	65
Tender is the Night	Drama	62
Ascent of Man	Natural History	62
Fawlty Towers	Comedy	60

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news

Girls on top again, as inspectors say failing schools are full of boys

Lucy Ward
Education Correspondent

First, the statistics confirmed girls outstrip boys at every stage of their school careers. Now the education world has served up another harsh truth for the male sex – the majority of

schools which are failing their pupils have many more boys than girls.

In its first major overview of the characteristics of failing schools, the inspection agency Ofsted yesterday said gender imbalance was a notable common factor.

Of 360 schools which have been judged to need "special measures" since the inspection cycle began in 1993, not one is girls-only, most are mixed but with a big majority of boys.

Ofsted's survey revealed that failing schools are almost always characterised by poor leader-

ship, underachievement by pupils and a high proportion of unsatisfactory teaching.

The findings held true even though institutions failing their pupils spanned the whole range of schools, from inner-city secondaries to special schools and tiny rural primaries.

Conversely, schools which had failed but were on the road to recovery, or were among the 19 freed from special measures, were united in their tactics for improvement. The most common step, taken by half of those failing, was to replace long-serving headteachers.

Improving schools drew up clear action plans with measurable targets, boosted curriculum planning, tackled poor behaviour and attendance, communicated well with parents and managed their finances efficiently.

Twelve schools on the failing

list have closed so far, though

one has shut since last summer.

Ofsted's head of school improvement, Dr Elizabeth Passmore, said the evidence that most failing schools had a high proportion of boys added to the agency's findings in a report last July, confirming girls generally

outshone boys in educational

performance.

That study, *The Gender Divide*, revealed that girls did better than boys in English from the age of seven and were more successful than boys at every level in GCSE.

Education + In The Tabloid

Poor marking flaws primary tests, says study

Judith Judd
Education Editor

Serious flaws in national tests for 11-year-olds, which will form the basis of next week's Government league tables for primary schools, are revealed in a study published today.

The research from King's College, London, says that the questions and marking of the English tests were so bad that nearly one in four children was given the wrong "level" or grade. Most received a lower level than they deserved.

Gillian Shephard, the Secretary of State for Education, originally planned to wait until the tests had "bedded down" before publishing primary league tables but was persuaded by Michael Heseltine, the Deputy Prime Minister, to change her mind. Labour said last week that its new league tables would be based on the tests.

Government exam advisers who supervised the tests immediately condemned the study as "flimsy".

In science, the researchers found, one in ten children was given the wrong level and some questions were so badly worded that they could be answered by guesswork or without any knowledge of science.

Researchers re-marked 338 test scripts by 143 pupils in ten schools. The expected "level" for an 11-year-old is 4. Pupils

Children's stories

Frankie was a little grey mouse of about two years old. His mother had died when he was only three weeks old leaving him all alone in the world.

And later: "Yummy, yummy, yummy in my tummy," said Frankie as he edged nearer to the great slab of cheese.

Examples from a "twice" story awarded a high Level 5 which researchers say was only worth Level 4.

"Kevin was getting really frustrated because it just wasn't his day. He kept missing the ball and was always getting tackled when he had the ball. It was his worst performance on the football pitch ever. The worst thing was that he had been dropped from the five-a-side tournament because of his play in recent days."

Example from a story awarded Level 4 which researchers say deserved Level 5.

graded Level 5 are two years ahead of their age.

In English, marking mistakes were found in every single paper, in 84 per cent of science ones and 54 per cent of maths scripts. The level changes mainly involved more able pupils, who moved from Level 4 to Level 5.

In story writing, the researchers argue, the markers were prejudiced against topics such as football, adventure and crime, often written by boys, and in favour of two, "Disneyesque" styles characterised by "little" and "lovely".

Nearly two-thirds of the ques-

tions in the English reading test were unclear, the report, commissioned by the Association of Teachers and Lecturers, said.

One question asked pupils to say whether or not a boy got on with his brother and to explain their reasons for choosing yes or no. There was no indication that an extra mark was awarded only if they said that he both got on with him and did not get on with him.

In science, says the report, "correct answers could be achieved by a lucky guess." In a question on magnets, for instance, candidates had to choose between the words "repel" and "attract" so there was a 50 per cent chance of obtaining each answer without knowing anything about magnets or the meaning of either word.

Professor Margaret Brown, professor of maths education at King's, says in the foreword: "The study shows that both the tests and the marking have not yet reached sufficiently high standards to justify teacher and public confidence. Its findings are important because of the major consequences of these tests for schools, teachers and pupils."

Dr Nick Tate, chief executive of the School Curriculum and Assessment Authority, called the research flimsy and biased. The authority's own study by Bath University of 10,000 scripts from 1,600 pupils had found none of the flaws.



Standing together: Striking teachers on the march in Glasgow yesterday, in a protest against proposed council-funding cuts Photograph: Drew Farrell

Labour threat to super-grammar

Lucy Ward
Education Correspondent

Labour could overturn plans to build the first grammar school in Britain for over 30 years if it wins the general election.

The party yesterday pledged to review a scheme for an élite "super-grammar" for the top 5 per cent of pupils in Milton Keynes, which has just been approved by Gillian Shephard, the

Secretary of State for Education and Employment.

The review would take into account two previous local consultations on the proposal, in which a majority of parents were opposed. Supporters of selection are likely to seize on Labour's pledge as evidence that the party remains antagonistic to grammar schools.

However, Labour claims a review would be in line with

making parental wishes paramount, as the consultations revealed six in 10 object to the plan. The party said last month it would not change the status of any existing grammar school unless parents voted for it.

Proposals for a grammar school in Milton Keynes, the only part of Buckinghamshire without a grammar system, have divided parents and local politicians since the scheme

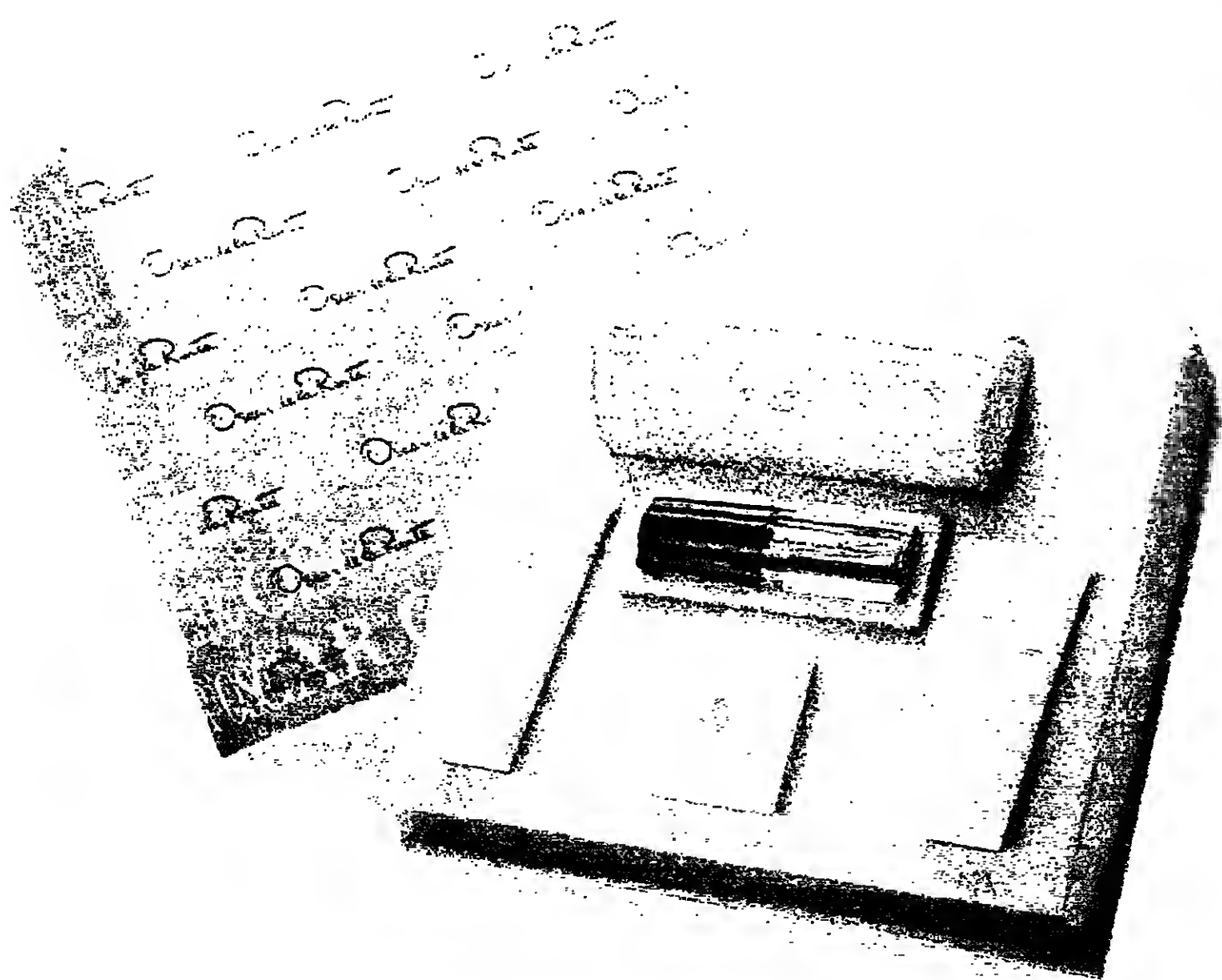
was mooted 10 years ago. Government approval has come only months before a general election and weeks before the handover of control of the city from Conservative-controlled Buckinghamshire County Council to a new Labour-run Milton Keynes unitary authority, following local government reorganisation.

The Labour leadership of the new authority insists the

county has no right to impose its will on a city for which it will soon have no responsibility. On Tuesday night, Milton Keynes Borough Council voted unanimously to continue to oppose the grammar school.

However, under education law, last week's go-ahead from Mrs Shephard means that the city's authority is obliged to put the plan into practice, subject to planning consent.

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Evans the Mouth grovels to Major after touch of verbal diarrhoea

Nicole Veatch

John Major's unreserved condemnation of right-wing Tory MP David Evans for racist and sexist remarks made during an interview with a school magazine, sat uneasily yesterday in light of their past relationship.

The member for Welwyn and Hatfield, or Evans the Mouth, as he is known in the corridors of Westminster, provoked the humiliating attack from the Prime Minister, after describing his Labour election opponent as a single girl with "three bastard children" who had "never done a proper job".

And in his remarks to sixth-formers at Stanborough School, Mr Evans called Virginia Bottomley, the Secretary of State for National Heritage, "dead from the neck upwards" and said the Prime Minister was "vindictive and unforgiving".

But the self-made millionaire and cockney swaggoner yesterday witnessed how unforgiving his leader really is when he was forced to issue a grovelling apology on Conservative Central Office notepaper, following a strong rebuke by the Chief Whip, Alastair Goodlad.

Mr Evans said: "The comments which have been reported were taken out of context. After due consideration, I regret some of the things I said and I apologise to the Prime Minister and to others for any embarrassment or offence which may have been caused."

The party machine ensured there were smiles all round



Victims of Mr Evans's remarks: John Major, Melanie Johnson and Virginia Bottomley

Soundbites from terrier of the back benches

The wit and wisdom of David Evans:

"The Labour Party wobble on everything. Had they been defending British sheep farmers, they would have achieved a load of jelly and red at that." (1992)

"Will the Prime Minister confirm that unlike that lot opposite we will not let Babycham be nationalised and we shall not have to

watch Bambi on television every night." (1994)

"Unlike them lot opposite, we are on this side totally united behind our leader." (1995)

"Does my honourable Friend agree with Janice that if that lot ... got their hands on the Brussels cheque book 14 years of Conservative government would disappear like rats up a drainpipe." (1994)

Outside the House, his other gems include: "Ask any London taxi driver if they'll stop for a coloured fare. They are trouble. The Rastafarians and all that lot don't fit in." "I don't trust Russians. The more nuclear weapons the better." "Two-thirds of the unemployed could find jobs." "People in Britain have become more and more lazy since the Second World War."

when Mrs Bottomley announced on the BBC Radio 4 Today programme that she had received a "very gallant apology" from the MP. Things have not always been so strained between Mr Evans and his leader. During one exchange in the Commons in 1992, Mr Major praised his Yorkshire terrier of the back benches for making

"his own distinctive points in his own distinctive way". Mr Evans also earned brownie points from the Prime Minister by following the Brixton boy's lead and cashing in on his own working-class credentials. Elected to Parliament in 1987, Mr Evans embodies the Tory beer vote. Staunchly populist, his working-class boy-

made-good attitude means that he despises foreigners, the unemployed, socialists and homosexuals. His cavanagh style is best displayed during Prime Minister's Question Time. In a 1995 session he asked: "Is it the Conservative Party who want to split up the UK, or is it that lot opposite, led by Bambi, with his 60 quid-a-week

haircut, who want to do so?"

He begins nearly all his questions by mentioning his wife Janice, his muse of common sense, and once asked Mr Major whether he was "aware that Janice takes quite a lot of interest in the House?"

But his relation with the Prime Minister deteriorated last year, when he openly backed, and became the main force behind John Redwood's leadership attempt.

In his latest outburst he has received the backing of John Dean, the Conservative association chairman in Welwyn, and the executive of the 1992 committee of backbench MPs.

Mr Dean said: "David Evans is a colourful and outspoken MP but what is more important is his incredible ability to stand up for his constituents. I believe strongly that a MP should give their views and stand up for what they believe in."

But in typically stubborn manner, 61-year-old Mr Evans has so far refused to apologise to his Labour opponent, Melanie Johnson, a school inspector and magistrate who has lived with her partner for 18 years.

Janet Anderson, Labour's spokeswoman on women's affairs, yesterday marched to Downing Street with a delegation of 13 female MPs demanding that Mr Evans be de-selected before the general election. She said his "disgraceful comments clearly made him unsuitable to be a parliamentary candidate."

Polly Toynbee, page 17



Foot in mouth: David Evans, who was condemned by John Major for his remarks

Labour to press for peace drive at Peugeot

Barrie Clement
Labour Editor

Senior Labour Party figures are expected to put pressure on union leaders to sue for peace at Peugeot after the workforce voted overwhelmingly for an indefinite strike.

Labour is concerned that an all-out stoppage at the car manufacturer so near the election would be used as political ammunition by the Conservatives. The vote at Peugeot comes amid tensions elsewhere in the motor industry which are also causing the party concern.

National union leaders meet today to decide their strategy at the French-owned company. Unions are expected to opt for a "breathing space" for negotiations, but they will couple the olive branch with a warning of indefinite industrial action to come in the absence of the deal.

In a turnout of about two-thirds, Peugeot workers voted with a majority of 84 per cent to go on strike at protest a management attempts to chance

working time and its alleged refusal to negotiate seriously over pay. There were 1,720 employees belonging to the Transport & General Workers' Union and the Amalgamated Engineering and Electrical Union who voted to strike - with just 363 against - while 1,548 backed action short of a stoppage with 243 voting "no".

Union sources said yesterday that industrial relations at Peugeot were the worst in the motor industry. Unions last year protested over the management's plan to introduce French national holidays in place of the traditional British breaks. That issue is still a bone of contention.

Tony Woodley, chief motor industry negotiator at the T&G, said the ballot result reflected "mounting frustration" with "management." "The industrial relations climate has been soured by the company's unilateral attempt to chance working arrangements and its refusal to talk seriously over pay."

"It is now time the company

sat down and addressed our grievances. Negotiation is better than confrontation, but it takes two to negotiate."

A Peugeot spokesman said the vote was disappointing, adding: "We hope that sensible reflection on the part of all employees will prevent serious and potentially far-reaching and damaging consequences."

Labour expressed concern privately recently over the threat of industrial action at Ford in protest at redundancies in the Halewood plant on Merseyside.

The party is also concerned now about unrest elsewhere in the industry. The T&G is currently testing the mood among the 600-strong workforce at Ford-Iveco in Slough where management has announced its intentions to close the plant.

Union officials said that industrial action was unlikely at the works, which is owned by Fiat and Ford, but workers were being balloted on whether they wanted to fight the shut-

Ulster talks adjourned until after election

David McKittrick
Ireland correspondent

The Northern Ireland peace process yesterday experienced a bang and a whimper - the quiet adjournment of political talks, together with the reali-

sation that loyalists had tried to blow up a southern Irish town.

That the talks have been in session since June without reaching consideration of substantive political issues has meant their public credibility has ebbed. With the general

election and council elections due, adjournment was seen as inevitable. Their resumption is expected after the polls.

In the meantime, the dangers of a political vacuum were emphasised when it emerged that a bomb left at a Sinn Féin office in the border town of Monaghan had not been a hoax, as first reported.

The bomb, planted on Sunday, contained 26lb of commercial explosives, which could have brought down one or more buildings. In the event only the detonator exploded, causing no significant damage.

It is believed to be the work of the Ulster Volunteer Force. Its significance is that it was the first bombing attack by the group since it declared a ceasefire in October 1994 and throws doubt on the continuing commitment of the loyalist paramilitary groups to political rather than violent activity.

The loyalists had previously feared such acts would lead to expulsion of their political spokesmen from the talks. But with the talks in abeyance this constraint may be lifted.

The immediate view in security circles was that the attack was probably intended as retaliation for the recent IRA killing of a soldier in south Armagh. As such, sources say, they believe it was a "one-off" rather than the beginning of a concerted campaign.

DAILY POEM

Azalea in the House

By Anne Ridler

This little shabby tree, forgotten all summer,
And crouched in its corner through December frost,
Now is brought indoors to keep its promise:
It speaks in a hush, like a prophet returned from the wilderness:
The buds throw off their brown exoskeletons, burst
In flame, and March sees a midsummer feast.

Explosions of sunsets, archangels on a needle-point,
Red parliament of butterflies...
I cannot hold it with words, yet summer life
While winter howls out there behind the glass
And trees still clench their fists, must be too brief.

Scentless, infertile, kept from moth and rain,
Colour is its whole theme.
Like those vermilion rose-trees that bloom
In picture-books, they never drooped or faded,
But this has only a short month to shine,
And hours not spent in watching it are wasted.

"Azalea in the House" comes from Anne Ridler's *Collected Poems*, just published by Carcanet Press (£9.95). Two of her translations of opera libretti are currently being performed, in English National Opera's production of Gluck's *Orpheus and Eurydice* (at the Coliseum) and Koot Opera's staging of Monteverdi's *Orfeo* (at the Queen Elizabeth Hall).

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politics

DAVID
AaronovitchThe lunacy of our
asylum debate

You pay your money and you take your choice. In Billerica - if Teresa Gorman is to be believed - asylum-seekers are mostly East European men who, after having come over here to watch Sazulu FC in the UEFA Cup, decided that they wished to stay on at taxpayers' expense. In Islington, however, according to Jeremy Corbyn, this group is almost entirely made up of torture victims who have had their fiancés murdered in front of their very eyes.

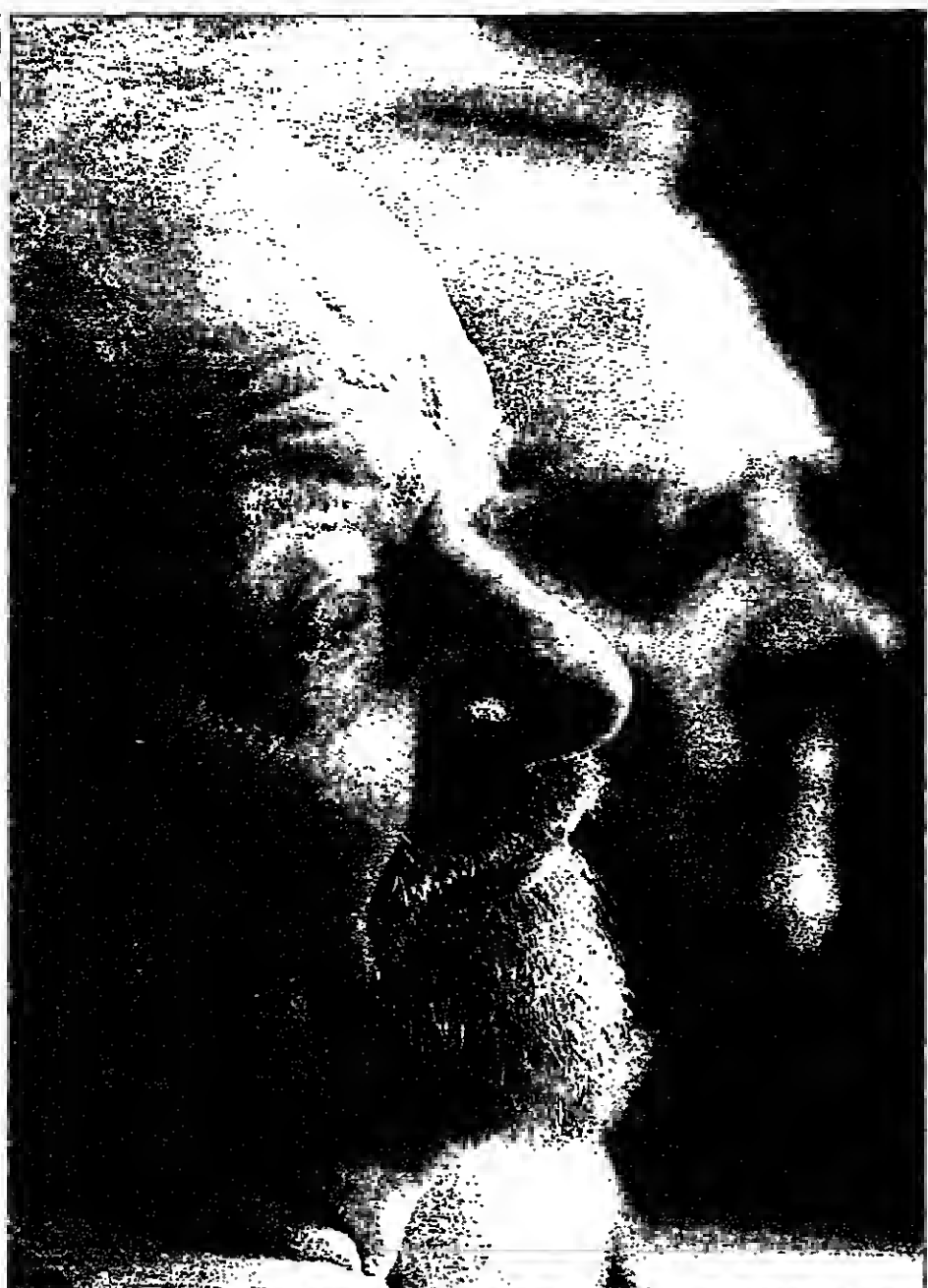
Yesterday these two diametrically opposed versions of the same reality were laid out with some care. Teresa herself was splendidly attired in a pink-and-white check twin-set, which looked as though it had been run up from a very expensive National Trust haberdashery. She was cross that the courts had found in favour of a group of asylum-seekers, ruling that councils should provide them with basic amenities, now that government itself no longer did.

"Meals on Wheels have to take food to them!" she told horrified MPs. "They have to be given a packed lunch, in case they go out to do a bit of shopping during the day!" Worse, they were given snacks as well. "Snacks!" repeated Ms Gorman for effect. "Snacks!" echoed scandalised members, many of whom can only dream of snacks. Furthermore, these folk needed "hygiene packs", including "toothbrush, toothpaste, soap, flannel and deodorant!"

The burden of providing all this personal freshness fell upon the poor old people of Westminster, many of whom live on small pensions in Peabody estates and ask nothing from the state, save to be let alone. "Why should elderly people, managing on their modest incomes, fork out for these people who are simply parasites?" she concluded. Jeremy's case was that we had an obligation to look after those who seek asylum in our country (although if the country is half as bad as Jeremy always says it is, it is amazing that anyone ever bothers). He was interrupted by the choleric Christopher Gill (C. Ludlow) who demanded to know what mandate Mr Corbyn had from the British people "to share their citizenship with foreigners?"

As Mr Corbyn struggled with this piece of ahistorical xenophobia, I was momentarily distracted by the appearance of a steatopygous Sudanese tribeswoman in multi-coloured djellaba and brass girdle, who sat silently at the end of the Tory benches. Closer examination showed it to be the Medway sex goddess, Peggy Fenner, come to show solidarity with the Third World. When she was sure that everyone in the Chamber had seen her, she departed again. All this time David Shaw, the Dover MP - whose majority is tiny, but whose desire to hold on to his seat is overwhelming - had been twitching in preparation for his own intervention in the debate. At last his moment arrived. He did not, he began, "want to see people taking advantage of our compassion".

Now, you'd have to get up pretty early in the morning to take advantage of Mr Shaw's compassion, as the following exchange with fellow Tory Tony Marlow indicates. Shaw had just explained to the House that even with brutal dictators there were limits to what could be done. "We cannot take the whole population of Iraq!" he stormed. Marlow intervened: "Why don't they go to Jordan?" he asked. "Why do they have to travel a whole continent to get away?" Shaw concurred, easily. So the next time you see the whole population of Iraq at Dover ferry terminal, trying to enter the country, use your compassion and point out the sign saying "Jordan: 2,000 miles".



Party ties: Cook (left) and Maclennan sealing their pact Photograph: Andrew Suuman

Lib-Lab pledge
to overhaul the
constitutionAnthony Bevis
Political Editor

Labour yesterday promised to offer voters a straight choice between the current, first-past-the-post system and a system of proportional representation in time for a new millennium election.

Some senior party figures appear to have dropped their previous preference for the alternative system, which is not a proportional voting system.

The alternative vote ensures that all MPs are elected by a majority following the elimination of candidates who come bottom of the poll, and a redistribution of voters' second preferences.

Liberal Democrats were yesterday delighted by the agreement between the parties, which they regarded as a climb-down by some senior Labour opponents of electoral reform.

The decision was part of a practical package of constitutional change to "renew democracy", tied up between Labour and the Liberal Democrats yesterday. But the two parties warned that the prerequisite for reform was ending the Conservative culture of the "one-party state", and a change of government at the next election.

The agreement could also overcome the practical obstacles that blocked previous attempts

at reform. Bob Maclennan, the Liberal Democrat spokesman, said yesterday that the history of constitutional struggle was littered with failure.

In the Sixties," he said, "a Labour government with a huge majority failed to reform the House of Lords. In the Seventies, plans for devolution came to naught. Our two parties have to do better."

Robin Cook, shadow Foreign Secretary and the man who led the Labour negotiating team, said: "Both parties have gained from reaching agreement on a comprehensive programme of reform which offers each of us a better prospect of achieving the objectives of our policies on the constitution."

The areas of agreement covered not only devolution, electoral reform, and the removal of the right of hereditary peers to sit and speak in the House of Lords, but also a code of human rights, freedom of information, the independence of the national statistical service, greater scrutiny and accountability for quangos, statutory force for the civil service code, and a modernisation programme for the Commons.

While the Liberal Democrats disagreed with Labour's proposal to hold two referenda on Scottish devolution, one on the

setting-up of a parliament and another on its powers to vary taxes, yesterday's agreement said they "would not seek to frustrate or delay referendum legislation".

Yesterday's statement said that once the initial referendum had been carried, "both parties would support legislation to establish the Scottish parliament within the first session of Parliament after the general election" - by the summer of 1998.

Both a Scottish parliament and a Welsh assembly would be elected on an additional member system; the proportional voting system which retains constituency seats, but gives an additional proportion of places to the "best losers" among defeated candidates. That system will be one of the options for an electoral commission that would be given a year in which to propose a referendum choice between the existing first-past-the-post system and "one specific proportional alternative" that would "command broad consensus among proponents of proportional representation."

Mr Cook said he anticipated that the referendum, and any subsequent legislation could take place "in good time" for PR to be introduced for the following general election.

Leading article, page 15

Criticised councils turn over a new leaf

Christian Wolmar
Westminster Correspondent

Councils criticised for their poor record in providing services have improved remarkably over the past year, according to the Audit Commission's annual local-authority performance indicators.

The figures suggest that nothing works better in improving a council's performance than local publicity resulting from finishing bottom of the commission's published annual league tables.

The commission, the Gov-

ernment's spending watchdog, says, for example, that the 15 authorities which took longest to relet empty council homes when the commission first produced performance figures three years ago, have improved their performance by 30 per cent and now take an average of 9.6 weeks to relet homes, rather than 13.5 weeks.

Similarly, the worst authorities collected only 81 per cent of the council tax due to them and now the average for the bad performers is 86 per cent. A spokesman for the commission

said: "Nobody wants to be at the bottom."

The commission highlights the fact that while overall performance is improving, there are still very large differences in performance between similar authorities. Aylesbury Vale.

Similarly, while some authorities managed to assess more than 90 per cent of children in their area with special educational needs within the target time of 18 weeks - such as Newcastle, Southwark and Norfolk - others, like Manchester, Salford and Havering, did not assess any children within the allotted time.

And prices vary widely, with Milton Keynes charging £113.50 for the service compared with £49 charged by another Buckinghamshire authority, Aylesbury Vale.

Similarly, while some authorities managed to assess more than 90 per cent of children in their area with special educational needs within the target time of 18 weeks - such as Newcastle, Southwark and Norfolk - others, like Manchester, Salford and Havering, did not assess any children within the allotted time.

No authority emerges as the best or worst in Britain, but it is possible to discern successful authorities within each group. The tables highlight Liverpool and Manchester as authorities not giving value for money while Birmingham, Knowsley and Croydon all do well.

With so few councils now controlled by the Tories, comparisons of the parties' performance are difficult. However, Labour seized on the relatively poor performance of Westminster, one of the Tories' flagship councils, pointing out that

it spends £56.48 per head on refuse collection and disposal, compared with neighbouring Labour Camden's £22.46, and that Westminster has the highest benefits administration cost in the country of £266 per claimant per year.

Labour rather overstretched itself, however, when it claimed that Labour-controlled Thurrock in Essex had the best record for collecting council tax - 102 per cent of the amount due. *The Local Performance Indicators, 1995/6, volume 1 and 2: £15 each, Audit Commission.*

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Peers misled over animal deaths

Ian Burrell

Earl Howe, the Under-Secretary of State for Defence, made a personal statement to the House of Lords yesterday warning that Parliament may have been misled over the mysterious deaths of large numbers of animals in the Gulf War.

The statement, which amounted to an apology, followed a report in yesterday's *Independent* over experiments by British scientists, who the minister claimed had examined the carcasses and found that the animals died of natural causes.

The scientists, at Edinburgh's

Centre for Tropical Veterinary

Medicine, revealed they had no record of the work being done. Troops who served in the Gulf believe the animals may have been killed by pesticides or as a result of the use of chemical or biological weapons.

The Countess of Mar, a crossbench peer, had asked the minister last July whether there was any evidence that the dead animals had been exposed to nerve gas.

Earl Howe said in reply: "Samples from dead animals were sent back to the Edinburgh Veterinary School and Tropical Medicine Centre [sic] and all were found to have died of natural causes or such things as eating vehicle batteries."

Yesterday the minister told the House that the Ministry of Defence now doubted that this was true and that an investigation was under way to establish the facts. He said: "On Thursday last week I was telephoned in the House by a journalist who told me that his inquiries had led him to believe that my written answers to the noble Countess, Lady Mar on 4th June and 5th July last year, about the deaths of animals during the

Gulf War, were incorrect. I immediately set in hand an investigation.

"Early yesterday evening I received departmental advice that there is now considerable doubt over the accuracy of my answers. My Lords, this is a serious matter about which I felt it right to inform the House at the earliest opportunity."

The admission follows an apology in October by Nicholas Soames, the Armed Forces Minister, that he misled Parliament over the use of organophosphate pesticides in the Gulf. Lady Mar said: "How many more things are we being misled on? I remain absolutely convinced that chemical weapons were used on both sides."

She said troops who served in the Gulf had seen dead but unmarked animals lying on their sides as if they were asleep. Lady Mar said Earl Howe, who was clearly furious with his advisers, had personally apologised to her. She has been granted a meeting with the minister's advisers this afternoon at which she hopes to be given further information.

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The Sporting Life

Ferries all at sea over new safety rules

Randeep Ramesh
Transport Correspondent

British ferries may be scrapped, forced to cut the number of passengers they can carry or need major work to meet new safety standards issued next month by the Government.

Officials from the Marine Safety Agency, which certifies ships, have completed a review of all ferries sailing from the UK and have identified those craft most in need of work to meet the Government's targets.

The list contains vessels used by P&O, Stena and Sea France. Safety inspectors will not publish the full timetable of work required by the Government until 1 April.

The move comes exactly 10 years after the *Herald of Free Enterprise*, a roll-on roll-off (ro-ro) ferry owned by P&O, capsized as it left the Belgian port of Zeebrugge on the way to Dover, killing 194 men, women and children. The *Herald of Free Enterprise* sank in a storm off the Coast of West Africa while being towed to Thailand in the early 1990s.

The new safety measures go further than the existing 1990 world survivability standards. They will require UK-operating ro-ro ferries to be able to cope with 50 cms of water entering the car deck and stay afloat if holed beneath the waterline. The improvements will cost ferry firms millions of pounds.

Many older vessels could meet the higher standards by attaching "buoyancy blisters" to their hulls or erecting bulkheads on their car decks. The merger between the largest ferry operators, P&O and Stena, which has yet to be cleared by the Government, would also allow older ships to be retired from passenger service and save them from an expensive refit.

Other ships can delay their time in dry dock by reducing the numbers they carry. The *Pride of Cherbourg*, owned by P&O, is



In the dock, P&O's *Pride of Suffolk* loading at Felixstowe. Under the new safety regulations, all ro-ro ferries must be modified by spring 1998

Photograph: Brian Hains

penned in to be overhauled this autumn. The company could avoid this by increasing the cargo space and halving the number of passengers – and put off its upgrade until 2001.

Other ships set to be over-

hauled this autumn include Sea France's *Malaise* and P&O's *Pride of Hampshire*. Next year would see some newer ships – like P&O's *Pride of Suffolk* – upgraded.

A spokesman for P&O Eu-

ropean Ferries said: "We will do whatever is necessary to comply with the new regulations."

Passenger groups said more could be done sooner. The Consumers' Association called for the Government to speed up

the new regulations so all ships are modified by spring 1998.

The CA added that industry standards require a typical cross-Channel ferry to be evacuated within 30 minutes. Yet it took 65 minutes for 842 volun-

teers to be evacuated in a government test in Dover.

The Herald Families Association, which campaigned to raise shipping safety standards, is disbanding in the light of the new regulations. "Time does not

heal the pain but we have felt that by doing something we have helped ease things for ourselves," said the association's deputy chairman, Peter Spooner, whose son was killed in the disaster.

Alert on drug residues in meat

Annabel Ferriman

Just when you thought it was safe to start eating meat again, a report published yesterday warns of another hazard – antibiotic residues in British pork and turkey.

Overuse of antibiotics in the rearing of livestock could ultimately mean there is no effective treatment for humans suffering from related infections. *Which?* magazine warns, as bacteria develop a resistance to familiar drugs.

Tests carried out by the Consumers' Association, and similar organisations in 15 countries, have revealed traces of antibiotics in European pork, turkey, veal and chicken.

The study reveals that Britain had the largest proportion of turkeys affected (7 per cent) and the third largest proportion of pork (4 per cent), after the Republic of Ireland (17 per cent) and Greece (8 per cent). No veal or beef from Britain was tested and none of its chicken samples was affected, however.

Farmers use antibiotics both to treat infection and to promote growth in animals, but their use as growth promoters has been restricted. In practice, however, closely related drugs are used in this way.

The presence of antibiotic residues in food not only increases the likelihood of resistance, but can also affect people who are allergic to antibiotics, and very high doses of one type of sulphonamide has been linked to thyroid cancer.

Sue Davies, the Consumers' Association's acting principal researcher, said: "Antibiotic-resistant strains of bacteria are becoming more common. In 1995 over 87 per cent of one particular strain of salmonella was resistant to five common antibiotics. This is serious [because] the number of people who die from it is around ten times higher than for other types of salmonella. The options for treatment are now few."

Tim Lobstein, of the Food Commission in London, said: "If Sweden, Denmark and Germany's consumers with support from the veterinary profession, are prepared to press for better practices, then why not Britain?"

Conservationists to challenge £17m Cairngorms railway plan

Stephen Goodwin
Heritage Correspondent

Scottish Natural Heritage, the Government's nature adviser, was riding out a storm of protest yesterday after withdrawing its objection to a funicular railway up Cairn Gorm. The fate of the £17m project could now depend

on Brussels and the National Lottery.

Conservationists are preparing a challenge through Europe and the courts in order to safeguard the sub-arctic mountain environment, home to rare birds such as the dotterel and snow bunting.

"SNH has failed monum-

tally in its duty to protect the Scottish countryside," said Bill Wright, of the Cairngorms Campaign which may seek judicial review of the quango's behaviour over the railway.

Not surprisingly, the Chairlift Company was delighted with the decision, describing it as "an important milestone" in

the redevelopment of the Aviemore ski area. Hamish Swan, the company's chairman, said it was "a breakthrough for Highland tourism and the local community". An extra 50 jobs have been predicted.

The way is now clear for a formal agreement between SNH, the company, Highland and Is-

lands Enterprise which owns the land, and Highland Council setting legal safeguards for nature protection. Once that is signed, the Chairlift Company will set about raising the capital.

The 2km railway would run on 93 concrete pillars from the mountainside car park almost

to the summit of Cairn Gorm, at 1,245 metres one of Britain's highest mountains. It would replace antiquated chairlifts used by skiers and also provide a summer service to a summit visitor centre.

To meet SNH's objection to trippers spilling out on to the fragile mountain top, the com-

pany designed a totally enclosed system. Funicular passengers will not be allowed outside when they reach the visitor centre.

This bizarre arrangement was being trumpeted by SNH as likely to lead to less visitor pressure than the current "unmanaged chairlift access".



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THE PENSIONS REVOLUTION

Lilley the radical guesses 40 years ahead

Nic Cicutti
Personal Finance Editor

The Government's proposals to privatise the basic state pension and scrap the earnings-related scheme, announced yesterday, is one of the most audacious plans for almost 20 years.

Peter Lilley, Secretary of State for Social Security, described his plans as "enhancing pensioners to share in future economic growth ... and ultimately, to relieve taxpayers of their biggest burden."

Mr Lilley's department claimed the Basic Pension Plus plans, which involve paying young people £9 per week towards a personal pension from the moment they start work, will eventually save up to £40bn from the public spending bill by 2040. Department of Social Security officials argued that the cost of paying the basic state pension, plus income support to those on the poverty line, costs about £42bn a year at present. This figure is rising fast as more people reach retirement age and then go on to live longer.

By implementing this scheme, the total state pensions bill would be reduced to about £10bn in 40 years' time or so.

But Labour's pensions spokesman, John Denham, yesterday cast doubt on the Government's figures. He seized on DSS figures showing the cost of paying £9 weekly to young people's pensions would rise by £160m each year, spiralling to £7bn a year in about 40 years' time, to claim that existing taxpayers would be forced to foot the bill for this largesse.

Minister claims scheme will save taxpayers billions and help the old

The Government's proposals are the latest stage in a long-running retrenchment over state pensions. The retreat from a generously-funded state scheme, which began barely a year after the Tories took office in 1979, has continued unabated for more than 15 years.

The most significant initial step taken by the Conservatives

The retreat from a generously funded state scheme has continued unabated for more than 15 years

In 1980 involved raising the basic pension only in line with inflation and not earnings. Because pay generally rises faster than inflation, this has meant the value of a basic state pension dropping from about 20 per cent of average earnings in 1979 to about 15 per cent today. This is predicted to fall to 10 per cent in 25 years' time.

The second step taken by the Government has involved the whittling away of Serps, the state-earnings-related system. When it was first introduced by Barbara Castle in 1978, at the end of the last Labour government, Serps was intended to add a further 25 per cent of average wages at retirement.

This too has been gradually stripped away, once again, by

Peter Tompkins, actuary at the accountancy firm Price Waterhouse, said someone on average earnings of £16,500 could expect £3,500 a year in addition to their state pension if Serps were fully linked to earnings. By 2040 this will drop to £1,400.

Although initial reports focused on the Government's abolition of Serps and its replacement with a 5 per cent National Insurance rebate, once again payable into a personal pension, this has been virtually accomplished already.

About 15 million people are now opted out of Serps, with just 6 million, mostly lower-paid workers, still contributing to the scheme.

The real debate, such as there is one, is over whether it

is cheaper for the taxpayer to provide the same level of benefits to pensioners under the new system than through the existing one.

Mr Lilley argued yesterday that the rising costs of meeting the £9 weekly commitment to young people would be funded by a combination of two factors. The first is that, unlike now, payments into a personal pension will be taxed. Whereas at present, for every £100 of contributions the Revenue pays £24 for basic taxpayers (£40 for those on the marginal rate), this will not happen in future.

The Government claims that young people will benefit from not having their pension taxed when it is finally paid. However, most governments' tax promises have tended to be at variance with the facts just a year or two after being made, never mind 40 years' time.

Mr Lilley also hopes that very minor economic growth – ahead of existing targets – would meet the remaining cost. Again, this depends on whether such growth can be maintained for 40 years.

A DSS spokesman said last night: "The rising costs are nothing to be scared of. We have already shown that we are capable of cutting the cost of pension provision, by our previous reforms of Serps and by the equalisation of state pension ages at 65. Assuming normal economic growth, we can afford the changes."

On the cost front, there is the additional question of how much the new personal pensions will cost.



Public savings: Paying young people £9 per week towards a personal pension scheme will save up to £40bn by 2040

Labour splits over Serps scheme Tories' vision: £175 a week and big savings

Fran Abrams
Political Correspondent

There is disagreement in the Labour ranks over whether the State Earnings Related Pension Scheme should be scrapped or not. Party policy commits a Labour government to keeping the scheme, but the Labour chairman of the Social Security Select Committee, Frank Field, believes it should go.

Both sides in the argument agree that Serps has been run down over the years of Conservative government and that it no longer provides good value for money for most people. However, the party's social security spokeswoman, Harriet



Harman: Serps should stay

Harman, argues that it should be kept for anyone who wants to remain in it. Mr Field believes it should be replaced with com-

pulsory personal-insurance schemes.

A Labour government would be committed to keeping the same basic pension structure as exists at present, but, like the Conservatives, it would encourage more people to take up private schemes to top up their basic state pension. The Liberal Democrats, meanwhile, believe that Serps could be phased out but only after other safeguards have been put in place.

However, there is acknowledgement among Labour politicians that private pensions do not provide adequate returns for all investors. They say that someone earning between £10,000 and £12,000 would lose

a quarter of their savings through administration charges. Complex rules which exacerbate this problem should be simplified, they suggest.

Labour has promised to work with pension providers and to use competition between them in order to provide better pensions and to ensure proper security. In addition, those on low earnings would be entitled to a basic state pension linked to inflation under a Labour government, as they have been under the Conservatives.

Labour believes that the Conservatives' "apocalyptic" warnings about the growing numbers of pensioners in this country are overstated. Al-

though there will be a sharp increase between 2030 and 2040, it says, the number of people retiring in the next 20 years will be lower than in the past 20.

Under a Labour government new types of pension schemes could be encouraged, including programmes run by groups of employers or by a number of firms in the same industry. There could also be local schemes, possibly promoted by chambers of commerce.

Personal pensions under Labour could be linked to the party's plans for individual savings accounts. Pension companies would be encouraged to offer savings and life insurance to their members at competitive rates.

Under the Liberal Democrats, the basic state pension would remain, and occupational and private pensions should exist to add to the safety net the state provides. All workers would be covered by it, and there would be measures to protect lower-paid employees. Then Serps could be phased out, with earnings-related state pensions transferred over time to the private sector. However, the basic state pension would remain in state hands.

The state could save £40bn per year by 2040 under the Conservatives' new pension scheme, according to Peter Lilley, the Secretary of State for Social Security.

However, anyone over 20 today is unlikely to be affected by the new arrangements. Legislation would be passed towards the end of the next Parliament and phased in over the following 40 years.

Under the Basic Pension Plus programme, everyone would have to choose a personal pension plan from an approved company. They would then receive a National Insurance rebate of £9 per week, which would be paid into the fund in order to provide a basic state pension, regardless of how much they earned.

The basic pension would remain at current levels and be topped up to take account of inflation. If a person's fund was not sufficient to pay the basic pension, the Government



Lilley: Seeking big savings

would guarantee to top it up. In addition, employees would receive an additional National Insurance rebate of 5 per cent of their earnings to fund a separate, income-related pension.

The Government believes an employee on average wages could build up a fund worth £130,000 over a working lifetime, and that this would be enough for a pension of £175 per week, tax free.

If extra investment boosted economic growth by one-twentieth of 1 per cent per annum, the scheme would be self-financing, ministers said yesterday.

The scheme is designed to move Britain from the pay-as-you-go scheme, under which today's workers' contributions pay the pensions of those who have already retired, to one in which everyone builds up their own personal retirement fund. Over a generation, the amount held in private schemes would increase.

However, Labour claims the Government will not save any money until its first Basic Pension Plus generation retires in around 2040. Labour said last night that the scheme would cost £2.4bn in its first five years, with workers having to pay twice – once to fund their own schemes and once to fund those who had already retired.

The Government plans a Green Paper on which pension companies and other interested parties would be consulted.

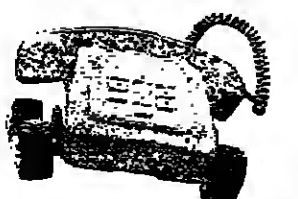
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Why the Right is going for the big idea

Nic Cicutti

Why is the Government reforming the state pension system?

For several years now, there has been a growing argument over the so-called "demographic timebomb". This is the term used to describe forecasts that the UK population is ageing rapidly.

The number of people of pensionable age is rising from 8.9 million in 1991 to an anticipated 13.5 million by 2030, according to research. At the same time, there will be a falling proportion of people in work to support them.

But why should my pension be affected?

Because the existing state pension scheme is based on a pay-as-you-go system, whereby we pay for those who are already retired. In turn, we hope our pensions will be met by future National Insurance contributions. But if less people are in work, it means it costs more to fund pensions or, the Government argues, they have to be cut instead.

So what is the Government doing?

In practice, the real value of state pensions has been falling for more than 15 years. This has mainly been achieved by linking benefits to inflation rather than

earnings, which rise faster. Much of these changes have taken place under the direction of Peter Lilley, the Secretary of State for Social Security.

What is the latest change?

Mr Lilley is proposing that, if the Conservatives are elected again, the Government should radically alter the state pension. He wants to abolish Serps, the state earnings-related element, and pay 5 per cent of national insurance into people's personal pensions instead. This is a continuation of what he has already been doing. He also wants to scrap the basic state pension, replacing it with a guaranteed £9 a week – again, into a personal pension. He hopes to cut the state's pension bill by £40bn by 2040, while guaranteeing the same inflation-adjusted levels of benefits as today.

Are there any problems with this?

There could be. The DSS admits that the cost will rise by £160m a year, reaching £7bn by 2040. It hopes the extra costs will be paid by better economic performance. But this is not guaranteed. There are also questions about whether personal pensions are cheaper to administer than the state system. One thing is certain, this is likely to prove a multi-billion pound bonanza for personal pension providers.

هكذا من الأصل

PM challenged to live on pensioner's monthly income

Glenda Cooper

Elizabeth Raybone is disgusted with the Prime Minister. She wants to challenge John Major to "come and live with me for a month. Leave your money and come and live on mine and then see how you manage. See how you'd cope."

Miss Raybone is 62, partially sighted and lives in a "two-up two-down" house in Gwent, South Wales. She receives income support and a disability allowance which comes to £78 a week. Everything has to be accounted for, but she says that her cat, Beauty, is her one luxury. She budgets £59 for her heating, mortgage, electricity, telephone bills, newspapers, television licence and insurance. The remaining £19 goes on food - mainly pulses and vegetables as they are cheap and filling. That way she can just about manage, if she spends time in the market shopping around for the best food bargains.

"I rarely eat meat - it is far too expensive. I might eat it once a fortnight, if I'm very lucky." But there are sometimes unforeseen problems which can

Keeping body and soul together is a daily struggle for Elizabeth Raybone

throw her budget out. "It's a question of trying to leave something for a month or two, hope that they don't push me and try to make it up by cutting down on food or heating."

"Heating, you can save by wrapping yourself up in a blanket on a chair or just going to bed of course."

But she is terrified of running into debt. "I've seen too many people fall into debt and they just can't get out. If I fall behind in my mortgage payments I could lose my house as easy as pie. For something like the heating, well they can't switch you off in the winter, but come 1 March and they'll do it. At the moment I desperately need new carpets and curtains - but it is not something I can afford."

Miss Raybone did not go out to work but spent most of her life caring for her parents. "It was very hard as practically all

my life they were seriously ill and there were no facilities for carers. There was nothing at all.

"We just weren't able to save. If you had saved all your life then maybe you would be able to cope, but with two seriously ill parents it just wasn't possible."

She feels that politicians have failed to realise what sort of life many old people lead and says that yesterday's announcements probably amounts to no more than "election promises".

"If they would just put up the pension £10 or £15 it would make a difference," she said.

"But when you're on £700 a week you don't know what it is like on £70. You're counting each penny - and if milk goes up a penny then you have to find that penny from somewhere else. They wouldn't be able to cope."



Tight budget: Elizabeth Raybone from Gwent, South Wales, with her cat, Beauty, which she describes as her one luxury

Photograph: Rob Stratton

Retiring type just manages to make ends meet

Glenda Cooper

At first Rachel Notley's late husband did not want her to go to work - "It just wasn't done then". Now she is grateful that she managed to persuade him to let her, for otherwise she does not know how she would survive on just a state pension.

Married in 1934, it was not until the 1960s that she went out to work for Age Concern after bringing up her children and caring for her in-laws.

She took out an occupational pension at the time because "it seemed like a sensible idea". Now she is supremely thankful she did.

Mrs Notley, 83, lives on £155. £160 a week, compared with the normal state pension of £61.15. Her occupational pension gives her around £65 a week after tax, her state pension is £82, higher than normal, because her husband worked until the age of 68, as she did and she also gets a small amount from her savings bond and attendance allowance. She also has money in a building society and is in the process of purchasing the freehold on her flat.

Her outgoings include council tax of £41 a month, £8 a month for gas "although I try not to put it on so much", the electricity (£12) and her car (£20), which she needs to get around because of her disability following a hip operation. Her attendance allowance of £42 allows her to employ someone to come in and do things like the cleaning, which she cannot manage. "I realise that al-

While a works pension makes Rachel Notley extremely thankful

though I have to make do, I am not as badly off as I could be. I can run a car although I have to give up other things and make sure I get my priorities right. But I cannot see how you could eat properly on a state pension," she said.

"I am so thankful. If I didn't have my own pension I would be on housing benefit and everything. I'm lucky as well because I have some small savings from when my husband died and I sold the house."

"You do have to think 'Gosh, that's a bit expensive, if you're looking at a new pair of shoes. Even on my income, if you want something like a new winter coat, unless you go to Oxford you can't buy a decent one for under £100. Sometimes I go shopping and I see people with stuff in their trolley which comes to more than my weekly income."

She thinks politicians have not thought the pensions system through. "I can't see what the Government are going to do. There are a lot more older active people like me around now and I can't see how anybody retires on just their pension. You couldn't really manage on £61 per week and I know people do but it is a pretty rotten life, particularly after paying into the system all your life."

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Protesters fear Berisha's army is out for blood

Emma Daly
in Tirana

A major security operation, including soldiers equipped with tanks and armoured personnel carriers, was under way throughout southern Albania yesterday, but armed civilians appeared to come out ahead in early fighting.

Protesters in the southern port of Saranda fired assault rifles and a commandeered tank at jets flying overhead.

Journalists in Saranda saw Chinese-made MIG-15 warplanes drop a bomb next to two houses in the village of Delvina, near Saranda, and saw smoke from two more bombs. About 400 families, most belonging to Albania's ethnic Greek minority, live in the town. It was not clear if anyone was hurt.

The Defence Ministry denied there had been any order to fire against civilians. But on Tuesday, the crew of an Albanian military jet who landed in Italy seeking political asylum said they had been given orders to bomb civilian targets near the southern town of Gjirokastra, 125 miles south of Tirana.

About 400 hooded and armed protesters are guarding the entrance to the port of

Saranda, which is under the control of the insurgents. They have set up road blocks on the main road into the city. Trucks and cars were seen carrying weapons and explosives into the town, most of it looted from army warehouses in the region. In the town of Shtari, four

The West launched diplomatic moves to find a political solution to the crisis, ruling out military intervention. The Dutch Foreign Minister will travel to Tirana tomorrow to seek talks between the government and opposition, and the Council of Europe is to send a mission there today.

Europe and the US condemned President Berisha. Malcolm Rifkind, the Foreign Secretary, called him "dictatorial".

men were reported injured in a battle with army troops. The fight apparently broke out when four truckloads of troops opened fire on a roadblock.

Vlora, the centre of anti-government protests, has yet to come under attack according to residents contacted by telephone. They said most civilians were staying indoors fearful of the military holding the main road north and of the armed locals leading the protest.

Gunmen are in position on rooftops in the town, they said. The defenders of Vlora are believed to be well organised and have shored up positions outside the town.

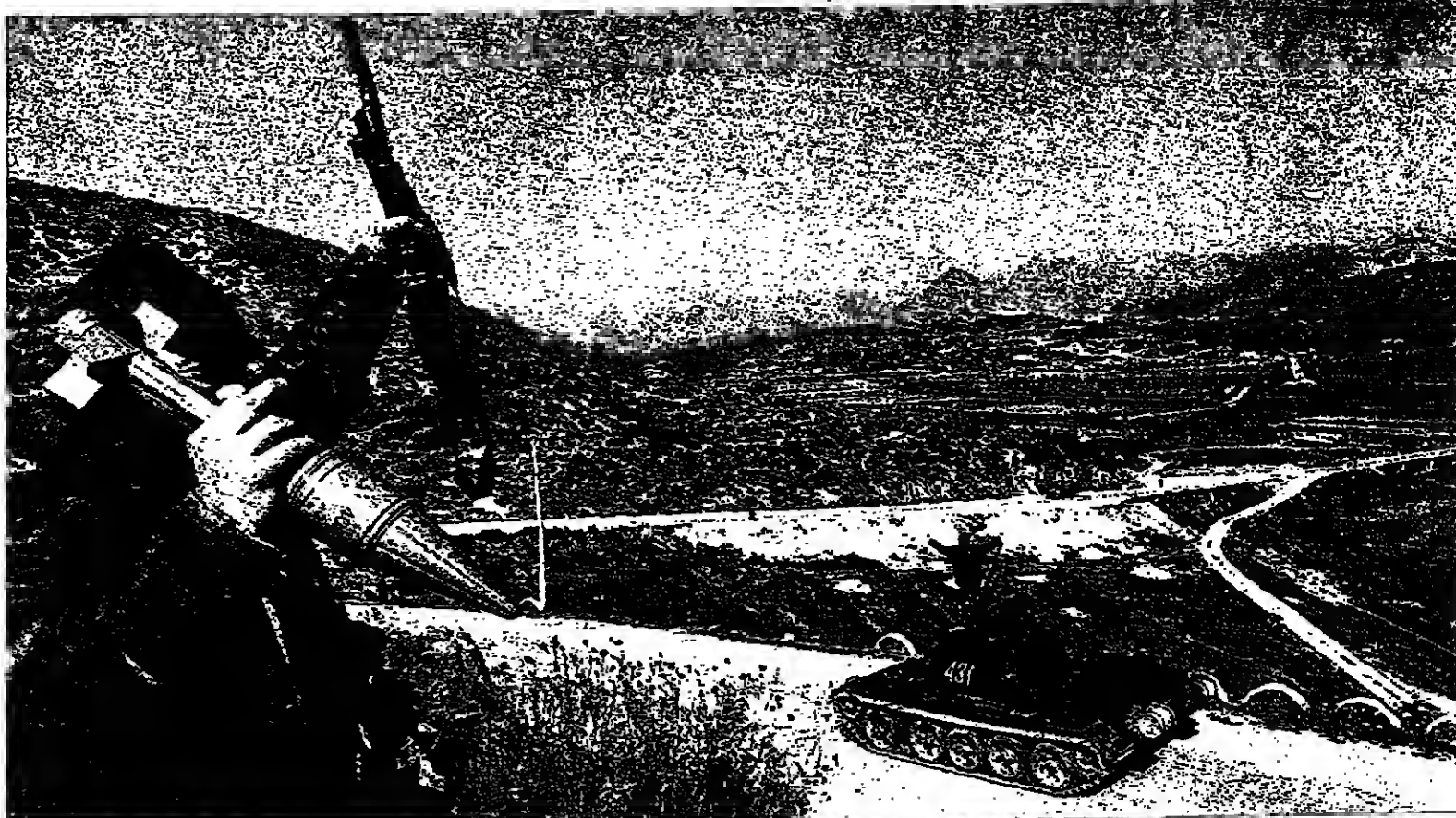
Many Albanians fear that President Sali Berisha will aim at a bloody victory rather than political compromise in Vlora and Saranda. But Western diplomats say the army is poorly equipped and cannot be relied on to enforce the President's will.

Among the soldiers are many conscripts who invested their meagre wages in the pyramid schemes whose collapse sparked the unrest in January.

The police are another matter. Most come from the north, home of Mr Berisha, and are loyal to him. The regular police have been put under command of the Shik, the secret police.

Its members are much in evidence around Tirana in buildings frequented by opposition and the media.

The capital is quiet. However, the calm imposed by the state of emergency, which includes a night-time curfew and press censorship, has not calmed the fears of those who know they are seen as enemies by the government.



Tanked up: An Albanian with a rocket-propelled grenade waves to comrades driving armour seized from the army

Photograph: Reuters

Tribal tension splits open Albania

Andrew Gumbel

The conflict pitting the Albanian government against angry armed rebels in the south has split the country in two along a notorious historical and cultural fault line, raising the very real possibility of civil war or even partition in the event of a protracted stand-off.

Albania has traditionally been divided into two tribal groups: the Ghegs who live in the north and spread into Kosovo and western Macedonia, and the Tosks from the south. Their differences are primarily linguistic: the Ghegs speak a rougher, less sophisticated variety of Albanian, but they are noticeable also in levels of education, living habits and religious practice.

The differences have seethed beneath the surface of Albanian politics since the country won independence from the Ottoman empire in 1912. They go a long way to explain why Enver Hoxha, the country's post-war Stalinist dictator, became so paranoid about Albania's sovereignty and the risk of subversion from abroad. Now they weigh heavily on President Sali Berisha, a typical Gheg born in a northern village, as he struggles to assert his authority on the half of the country with which he has little cultural connection.

The north-south dividing line is generally considered to be the river Shkumbin, which springs from Lake Ohrid on the border with southern Macedonia and flows in a straight line across the country before draining into the Adriatic half way between the country's two main ports, Durres to the north and Vlora to the south. This is also the frontline of the present conflict.

Tirana, the Albanian capital, belongs geographically in the north but by temperament is very much a part of the south - highly cultured, open to the outside world and suspicious of the secretive, essentially mafia world of extended families and blood feuds that still operates in the north.



One of the reasons Mr Berisha was successful in portraying himself as a staunch anti-Communist is because he came from the opposite end of the country from Hoxha, who was born in Gjirokastra on the Greek border. Once installed as president in 1992, Mr Berisha brought thousands of villagers down from the north to take up

jobs in ministries and in the security forces, especially the police and the Shik secret police. Opposition parties, particularly the Socialists, have retained their heartland in the south - for cultural as well as political reasons - and strongly resent the influx of "northern savages" into the country's power structure. Whenever demonstrations have been violently broken up by police the anonymous assailants are invariably described as talking with thick northern accents.

Organised crime in Albania is also divided on tribal lines. Intelligence experts believe the Ghegs are involved in trafficking drugs and contraband cigarettes, using their secret networks - relying at least in part on Gheg state officials - to bring merchandise across the mountains from Kosovo and out through ports towards Italy.

The Gheg-Tosk rivalry is far more than an academic exercise in cultural differences; it has at different times threatened Albania's very existence. During the Second World War, the Greek army occupied most of Tosk Albania, and have at various stages had ambitions to annex it. In 1946, the US Congress made a notorious proposal, never followed through, to partition the country between Greece and Yugoslavia - again along the old fault line.

One reason Hoxha banned religion in 1967 was because of fears the Roman Catholic-influenced north could split from the mainly Muslim south. Religion has been drummed out of Albanians, but the cultural gulf has been widening ever since Communism was overthrown in 1990-91.

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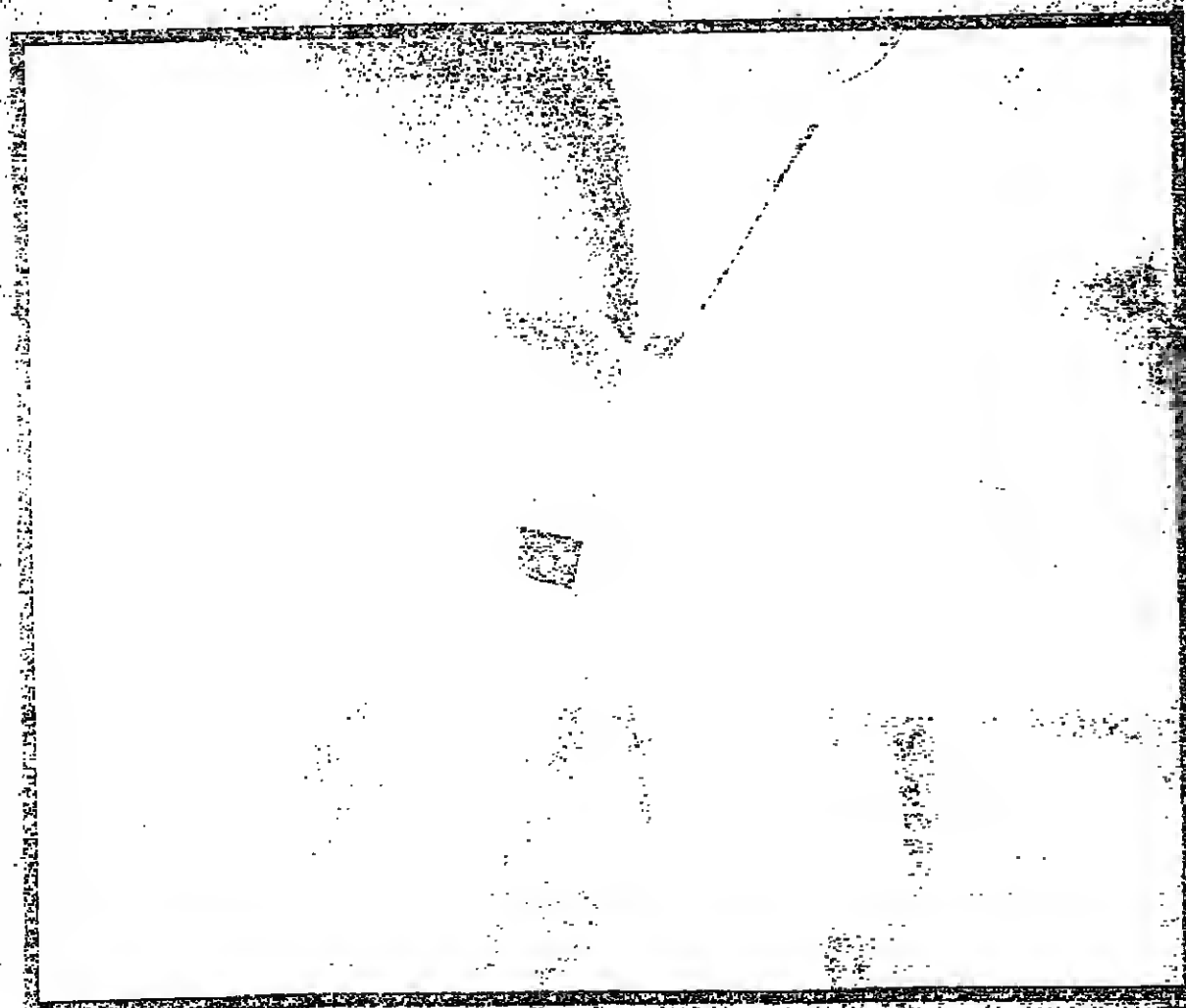
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Bibi shares his housing problem with Mubarak

Robert Fisk
Cairo

In Cairo yesterday, both Hosni Mubarak and Benjamin Netanyahu played Mr Nice Guy. All the Egyptian president wanted was "a fair and lasting peace". All the Israeli prime minister wanted, it seemed, was "peace with all our neighbours and with everyone else in the Arab world".

All this fuss about the new Israeli settlement – henceforth to be called neighbourhood – on territory captured in 1967 was it turned out, merely a housing problem, according to Mr Netanyahu. Why weren't new buildings going up in Gaza, Amman and Cairo? Only the occasional drumming of Mr Mubarak's fingers on the lectern suggested that he thought this was all a pack of whatever-you-would-have-said-it-was, if this wasn't the Middle East.

The press conference at the Cairo presidential palace at Ithadiya had a surreal quality. If Yasser Arafat and his henchmen were talking of Domesday, if Mr Mubarak had previously talked of explosions, scarcely a hint emerged that something was rotten in the state of the peace process. Indeed, at one incredible moment, the eloquent Mr Netanyahu spelled out just why the Palestinians should be grateful to him and his government. In eight months, he said, his Likud administration had "redeployed" from Hebron, released women prisoners, "effectively [sic] lifted closures" and transferred to the Palestinian Authority remaining tax monies – "all in a very short time."

The Israelis had dedicated \$50m (£51m) to Palestinian "infrastructure" and planned new

schools and roads for them. "We have decided not only to have infrastructure in the Arab neighbourhoods of Jerusalem but to enable 3,000–3,015 to be exact – housing units for Arab residents of Jerusalem for the next three years" as well as 2,500 units for Jewish residents.

One began to wonder, listening to this sound-bite brilliance, whether Mr Arafat might not be in trouble. Might not Mr Netanyahu – given his concern for the Palestinians – be elected the next President of the Palestinian Authority? And given Mr Netanyahu's apparent desertion of his Likud supporters, Mr Arafat could presumably stand as next Israeli prime minister. So I asked Mr Netanyahu whether Palestinians would be able to buy homes in Jewish west Jerusalem. Mr Mubarak's eyes, hitherto fixed upon the press, swivelled to the Israeli prime minister who was standing to his left.

"All of us [Jerusalem's] residents are able to participate in elections," the Israeli leader replied. Jerusalem was "one municipality", he said. "I don't think there's any limitation on the purchase of houses, as far as I know. I think there is no limitation on houses anywhere." It was all about "the availability of housing". If this was true, then tens of thousands of Palestinians could bid for homes in Israel. So did Mr Netanyahu accept that UN Security Council resolution – calling for the withdrawal of Israel from all occupied land in return for security for all the states in the area – remain the foundation and basis of the Middle East peace process? It was "a basis", he said. The key word, of course, being "a" rather than "the".

You had to pinch yourself during their press conference yesterday to remember that the whole show was on the rocks. Egyptian journalists stood up to accuse Mr Netanyahu of reneging on the whole agreement – what of the evictions, the closing of Palestinian offices, the Jerusalem tunnel, the delays in the implementation of withdrawal, they asked? And Israeli journalists asked why Mr Mubarak's police had accused an Egyptian of spying for Israel, why Egyptian journalists had attacked Israel, why the Egyptian government had prevented Cairo businessmen from increasing trade with Israel?

The Egyptian press dutifully referred to the new housing scheme on occupied land by its Arabic name of *Abu Ghoneim*; the Israeli press – and, of course, CNN's reporter – dutifully called it by its Hebrew name, *Har Homa*. Only after Mr Ne-

tanyahu had played the peace-maker yet again – Jerusalem was "a city of peace", he said, a "living city" with "a housing shortage of immense proportions", conceding only that it was "a point of great emotion, great contention" – did the Egyptian president quote from the Oslo agreement – that Jerusalem was supposed to be part of the final status talks under the Oslo pact – and added: "I'm concerned – I'm afraid this may create problems in the future."

It is not difficult to find fault with Mr Mubarak – Egyptian police torture, flawed elections and executions come to mind – but one could only admire his honour yesterday. He was an Arab host and he would not insult his Israeli guest. Yet if the impending disaster in the Middle East was merely the result of a local housing crisis, why on earth were we all gathered here to listen to these two men?



Heads of ceremony: More than 2,000 Moroccans attending "La Baia", the pact of Koranic alliance between monarch and people, during festivities to mark the 36th anniversary of the enthronement of King Hassan II. Photograph: AFP



Netanyahu (left) and Mubarak in Cairo. Photograph: Reuters

Three Gorges dam 'will better Nature'

Teresa Poole
Peking

Sometimes nature loses her balance and it takes a massive Chinese hydro-engineering project to sort her out.

"The gradual evolution of the Yangtze river has already caused the imbalance, or has already made the river lose its original balance," said Lu Youmei yesterday, general manager of the Three Gorges Dam Development Corporation.

"So we think that the balance is a relative concept, whereas imbalance is an absolute concept. So, given this situation, we must adopt some artificial or man-made engineering methods to change the already imbalanced ecosystem."

In this case, the artifice is the Three Gorges Dam, one of the world's most controversial infrastructure projects which on completion in 2009 will have displaced more than one million people, cost around 204bn yuan (£16bn), and will flood a total area the size of Singapore.

Around the world, questions persist about the social and environmental cost of the project, and whether siltation will undermine the best calculations of the engineers. Within China, all debate on the project has been silenced despite the fact that five years ago nearly one-third of the normally compliant deputies to the National People's Congress (NPC) did not vote in favour of the scheme. In November this year, the first phase of the dam will be completed when the course of the Yangtze is diverted behind temporary dams and work on the 175-metre high main dam wall commences.

Yesterday, the men who are in charge of building the dam confronted sceptics with a display of confidence verging on hubris. "We can foresee all the possible difficulties that we are going to face in the course of construction, and we have adopted corresponding measures in this regard," said Mr Lu.

He admitted that risks could also involve social and financial considerations, "but under the current circumstances of China's development we do not foresee any such kind of risks".

The project is the largest earth-moving exercise in history. Upstream, the new reservoir will drown the famous Three Gorges Scenery, force the relocation of 1.2 million people, 1,600 enterprises, several cities, 140 towns, and 4,500 villages in Hubei and Sichuan provinces.

Relocation is the most sensitive issue, but one on which officials will engage in little public debate. Just 60,000 people have so far been moved, and in January this year a special body was set up to prevent misuse of the relocation funds: financing luxury hotels and cars with the money was outlawed.

Funding the massive project has posed another uncertainty. The dam has no World Bank support, thus avoiding stringent independent environmental assessments. So electricity price levies, income from electricity generation, bank loans, export credits and public bond issues must raise the necessary funds. Mr Lu said: "We expect to repay all the debt by 2012."

Siltation is the biggest technical challenge. Every year the Yangtze carries down some 530 million tonnes of silt in its waters, much of which will be trapped behind the dam wall. Guo Shiyun, deputy director of the dam construction committee, said that after 50 to 80 years, this build-up will "only" decrease storage capacity of the dam reservoir by 14 per cent.

For the people of China, the best thing that can be said about the dam project is probably the short-term investment spin-offs. The government is offering very attractive terms to raise the cash. A 1bn yuan tranche of public bonds, paying interest at almost twice inflation, and redeemable after just three years, went on sale on 28 February – and sold out in five days flat.

25,000 miles flat out at 140mph. You'll never need to do it. But it's nice to know you can.

IF YOU'RE CONTEMPLATING TEST-DRIVING A SAAB 900, think about the one it's already had. We drove one around Alabama's Talladega circuit for 8 days and nights, non-stop, flat out (that's 25,000 miles, 140mph). In the process we broke forty international long-distance records. The engine, despite our best efforts, remained undamaged.

Clearly, it's nice to know that the Saab 900 possesses such power and endurance. Better still, it's nice to know it's not beyond your means. On the road, a Saab 900 will cost you from £15,500, whilst contract hire for business users is from £199 a month. To arrange a test drive, phone 0800 626 556. And on the day, remember to observe the speed limit.

£199 PER MONTH PLUS INITIAL DEPOSIT. CONTRACT HIRE SCHEME. TYPICAL EXAMPLE: SAAB 900. Deposit = £3,219.30. Monthly payments = 47 x £199.00. On the road at 140mph = £15,500.00.

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At last, the nation is offered a great promise

When in a season of political discord two parties come together in open agreement, it does not guarantee that they will talk sense, but it is a good omen. When they field, in Robert Macdonald and Robin Cook, two sensible and decent men, optimism grows. And the joint Labour and Liberal Democrat proposals for constitutional betterment did not disappoint.

A special merit was their modesty, and the fact that they still depend – in the case of plans for devolution and proportional representation – on popular approval through referenda. At last, it seems, the movement is under way to reform a constitution hardly less Venetian than when Tory Disraeli coined that phrase – disparagingly – a century and a half ago. We now have a prospect that within four or five years, perhaps even at the election after next, voters will see a fairer representation of their choices than first-past-the-post offers. To many that reform would be the most far-reaching the next government could effect.

The report of the Lib-Lab consultative committee is far from perfect. It has several sore thumbs. One is reform of the Lords. The document funks what it is that a second chamber is intended to do. How far should an upper chamber explicitly be given a role of blocking, checking and where necessary kicking-for-touch? Only when we know what an upper house is for can we assess proposals for its composition – not that there

are any in the Lib-Lab report. The hereditary peers disappear (except for those favoured few who are to be reincarnated as life peers) but how, and on what grounds, will they be replaced?

Perhaps there is method in ignoring the detail of Lords reform. This document embodies a huge commitment of Parliamentary time and political energy. A strong sense of priority among these reforms is vital, and not only to get them through the House of Commons. Any new government, whatever the size of its majority, has only a limited amount of political credit, which should be spent first on the big-picture changes. Giving the British people the option of radically changing the voting system must, in terms of its impact on our politics, be at or near the top of that list. There will never be final pre-referendum agreement on a single method of voting; the Reform Commission will have to struggle with details of Irish-style, German-style and other systems which are none of them perfect. But in the end it will give us a straight choice between a single more proportional system and the status quo. Reform may or may not happen; but that single agreement is a huge leap towards it.

Apart from full discussion of the Lords, the other yawning gap in the report concerns local government, and is all the more surprising given the long-term enthusiasm of the Liberal Democrats for genuine power-sharing, and



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indeed that party's current strength in the town and county halls. Is this our realism on Labour's part? Is it embarrassment? Gordon Brown's proposals for budgetary control are deeply centralising and allow no room for local financial discretion, though even without new money there is much that local authorities could do freed of central constraint. But perhaps Labour is not prepared to see its little local embarrassments – its Doncasters and Liverpools – cut loose and allowed real freedom.

Still, it would be churlish to identify only the gaps without celebrating the commitments – for example, to the

incorporation of the European Convention on Human Rights, and to a domestic apparatus helping citizens make use of its provisions. Recent discussion of privatisation as a way of securing improvements in London's Underground has once more focused attention on the dearth of city-wide democracy in the nation's capital. The report suggests the simple expedient of asking people whether they want an elected authority. It will be trickier than that. There is no easy way of identifying who the Londoners are who need to be invited to vote. Do they, for example, include the inhabitants of Carshalton

and Uxbridge who, historically, have been most reluctant to be included?

But to pose that kind of question is to state the obvious: no reform is clean-lined and simple. To seek to enact even half the packet of those displayed in this report would be to face down a mountain of opposition – Parliamentary opposition that will be furious, if not wholly cogent. To listen to Prime Minister Major is to be transported back to 1832 – since the country is so well governed, there is no possible justification for abolishing the constituency of Old Sarum. To listen to the more sophisticated Tory opponents of constitutional change is hardly more enlightening – according to David Willetts all manner of changes in our economic lives are natural and inevitable ... except modernisation of the way we are governed, which is somehow unnatural and to be resisted to the last ditch. The Tory position is, sud to report, little more than a defence of vested Tory interest. Under Conservative rule the Constitution has been allowed to become unbalanced, disordered and, on occasion, a threat to liberty.

It may be that if the Tories lose the election some people (including some Labour front-benchers) might lose their enthusiasm for constitutional reform. Why do we need radical change when the system allows alternation in power? But there's the real significance and challenge of yesterday's report. It is more than a here-today, gone-tomorrow

manifesto commitment. Labour is promising something to Liberal Democrat voters and vice versa. They offer themselves to the voters as politicians groping beyond narrow party interest, experimenting with a more generous and plural way of holding power. It is a great promise, which deserves to awaken a prickle of interest in a sceptical nation.

The Swiss break the mould

For a country as internally diverse as Switzerland – four official languages, a cacophony of cantons – and one so open to trade and tourism, it is odd how deeply an unflattering national stereotype has lodged abroad. The Swiss are widely perceived as secretive and selfish, boring and smug. Now a more serious charge is added: wilful historical myopia over the Holocaust. In such a context yesterday's move to create a generously large victims' fund was not only welcome in itself but also subversive of the stereotype. The Swiss action follows intense international interest in Nazi bank accounts and anticipates the findings of both domestic and American historical commissions. It is none the less a grand gesture, to the credit of the Swiss government and people.

LETTERS TO THE EDITOR

Covert police tactics beyond legal control

Sir: Facial recognition systems ("The face of crime captured digitally", 3 March) are only one facet of the new generation of "intelligence-led" policing methods. There are other methods, such as the increased reliance on informers, the use of bugging devices and the exchange of intelligence information generally, nationally and internationally.

These methods are largely uncontrolled by law. They are being operated either in accordance with guidelines (video surveillance and informers), or under inadequate legislation not designed for the purpose (facial recognition systems and data protection law).

Even the present Police Bill does not cover all listening devices: only those which "interfere with property" or fall within the definition of "wireless telegraphy". There are present and future generations of bugging techniques – for example, those using infrared light or laser technology – which fall completely outside its provisions. Intelligence-led methods are covert and intrusive. The Data Protection Act offers protection to individuals in some circumstances, but was not drafted with present-day surveillance techniques in mind. In the absence of a general right to privacy in this country, it is essential that there be specific statutory protection to ensure that such police operations are both fair and accountable, particularly if the evidence gained is to be admissible in any subsequent criminal trial.

MADELINE COLVIN
Legal Officer
JUSTICE
London EC4

Sir: Michael Howard wants to restrict the right of the accused to opt for jury trial in many cases of medium severity ("Howard under fire over plans to curb jury trials", 28 February).

His principal reason, I gather, is that large numbers of these cases result in last-minute "guilty" pleas, often as a consequence of plea-bargaining in the moments before the case is due to be heard. Much excessive crown court time is wasted and the progress of other cases delayed.

The situation is no different in magistrates' courts. A surprising number of trials dissolve at the last minute for precisely the same reasons. The costs will be considerably less, but unlike the crown court, where there will probably be other cases ready to be heard, the day or half-day set aside in magistrates' courts is often lost.

Should not the Home Secretary be looking at a ban on the Crown Prosecution Service agreeing to less serious charges, in response to the offer of "guilty" pleas, during the seven days before the trial date?

The only reason for the last-minute nature of most changes of plea is that lawyers on both sides have not contacted each other before. Human nature will see to it that things are left to the last minute – but if the last minute were to be seven days before the trial a lot of time and money would be saved.

RICHARD WELCH
Nantwich, Chyrd



about £80 and a frightened and still nervous young woman. She later identified him from photographs at the police station and picked him out of an identity parade.

Not only did he claim his right to trial by jury, but he also got it postponed at the last minute because one of his witnesses was ill. The eventual trial started one day and finished the next: there was a unanimous verdict of guilty and, although this was not his first offence, a sentence of 10 hours of community service – after three visits in court by barristers, solicitors, police and witnesses.

The magistrates would have cost us far less and might have produced a more appropriate sentence.

GW STANNERS
Redditch, Worcestershire

Sir: In your leading article on Jack Straw's proposals to tackle juvenile offending (4 March), you say that the facts of youth crime justify Mr Straw's "song and dance" about the issue. The trouble is that the facts are extremely difficult to interpret.

The Criminal Statistics, for example, show a marked decline in the number of 10-to-13-year-olds convicted or cautioned in the years 1985-1995. The numbers of 14-to-17-year-olds convicted or cautioned has remained more or less constant over that period.

It is said that the greater use of informal action by the police may explain these trends. But as they stand, the statistics do not warrant the feverish language about young people and crime to which politicians of both main parties now seem to be addicted.

STEPHEN SHAW
Director
Prison Reform Trust
London EC1

Europe fails to give green lead

Sir: The European Union has not shown the leadership on attacking man-made climate change which your article ("EU to cut global warming gases by tenth", 4 March) suggests. The EU has not pledged to cut emissions by 10 per cent or by any other figure. It has simply agreed a "negotiating position" for the continuing talks on when should cut emissions of which gases by when, in the hope that other developed nations will accept a challenging target. If consensus can be reached, the EU as a whole will reduce total emissions of three key greenhouse gases (CO₂, CH₄ and N₂O) by 15 per cent by 2010.

While this proposal is important, and may breathe life into the currently deadlocked climate change negotiations, it is flawed. Critically missing from the EU's negotiating position is the essential 2005 interim target year, which is necessary to ensure that industrialised nations take early action to limit greenhouse gas emissions, rather than leaving it all until the last minute in 13 years' time.

The original proposal from the Dutch government (currently holding the EU presidency) proposed cuts in CO₂ emissions of 8 per cent by 2005, and 12 per cent by 2010. These sub-targets were eliminated in the EU statement, allegedly at the insistence of the UK's John Gummer.

The EU will now be unable to

table a 2005 target, as the next EU Environmental Council meeting is after 3 June. This is the deadline for a protocol proposal to be formally tabled for the Kyoto Climate Summit in December. Given that neither the US nor Japan currently accepts the need for any reductions in greenhouse gas emissions before 2010, and with only 23 negotiating days left, the world is on course to fail to agree the urgent action necessary to prevent dangerous climate change.

Dr PATRICK GREEN
Friends of the Earth International
International Climate Negotiations
Bonn
Germany

Futile fraud in Albanian poll

Sir: Last May I was privileged to be one of the two UK observers sent to monitor the Albanian parliamentary elections as part of the team from the Organisation for Security and Co-operation in Europe (OSCE). Once we had witnessed the extent of vote-rigging and intimidation, a number of observers made the unprecedented move of announcing there and then that the elections were fundamentally flawed. I was asked to be their spokesman.

The events of the past few weeks have their origins in that rigged poll. It was so blatant, so naïve, and so widespread, that few Albanians could have any further respect for

their "elected" parliamentarians, or the security forces who openly supported the ruling Democratic Party. No wonder then, that when the ill-conceived pyramid schemes collapsed, the people should vent their anger against the government.

The irony is that perhaps Sali Berisha was the best man to modernise his pitifully poor country. Many believe he would have won the elections last May without resorting to vote-rigging. Instead he, and his party, could not resist the temptation. He has now no legitimate right to stay, other than to form a coalition government with the opposition parties, dissolve parliament, and ensure that ensuing elections are free and fair.

PAUL KEETCH
Parliamentary Spokesman
Hereford Liberal Democrats
Hereford

What Christians owe to Jews

Sir: Andrew Brown's article (Faith & Reason, 1 March), attacking Chief Rabbi Jonathan Sacks's endorsement of the "Judeo-Christian tradition", deserves to be challenged.

There are of course many differences between the two major faiths, but plenty of common elements, and essences of Hebrew religion are found in the New Testament – not least in the teachings of Jesus, and the Lord's

Supper, which is based on the Passover celebrations.

The Exodus traditions of deliverance from oppression are fundamental to Judaism, early Christianity, and now liberation theology, which a lot of people (including the Vatican) don't much like because of the challenge to the status quo.

The Exodus stories were also fundamental to the English Civil War and the American Revolution – Christians who saw themselves as a New Israel. They also echo in the words of Rabbi Abraham Joshua Heschel, a leading American Jew, when he noted that the Baptist minister

Marin Luther King Jr is a sign that God has not forsaken the United States of America. God has sent him to us. His presence is the hope of America. His mission is sacred, his leadership of supreme importance to every one of us ... I call upon every Jew to listen to his voice, to share his vision, to follow in his way. The whole future of America will depend upon the impact and the influence of Dr King.

That is the Judeo-Christian tradition at its best.

The Rev CHARLES BROCK
Mansfield College
Oxford

Boiling point

Sir: Will all the water consumers who have to boil their water because of the cryptosporidium organism (report, 4 March) be compensated? The water companies are legally obliged to supply drinkable water, and it costs money to keep boiling water.

C WELLS
Ruislip
Middlesex

Honesty about growing up

Sir: No wonder so many young girls are suffering from anorexia and bulimia these days ("Why won't you tell me about tampons, Mummy?", 3 March). These girls are afraid to grow up, and have found a shocking way of holding on to their childhood.

Their mothers, meanwhile, are accomplices in this plot, terrified of taking responsibility for adult behaviour and the realities facing them in this world. Thus they present to their daughters an image of the adult world that is frightening and confusing.

My own mother told me, when I was around the age of eight, that I would begin to develop breasts, grow hair in several areas of my body, and begin to menstruate. She then thought me both tampons and sanitary towels and showed me what I would have to do, should menstruating begin unexpectedly at school or some other social gathering; and she always knew when I had my period.

Both she and my father never failed to compliment me on what a lovely young lady I was growing into. They gave me confidence and realistic expectations of what adulthood was all about. I did much the same with my own daughter, never exaggerating the discomfort of period pain and never telling her horror stories of childbirth.

I also have a son, with whom I discussed the "facts of life" as and when he asked, so that by the time he was shaving, it was all a natural process of growing up and joining the adult world. And incidentally, why is it that we turn menstruation into such a "problem" area? Men tell me shaving, which in most cases must be done daily, is a huge bore, but they just get on with it.

Mrs ARIELLA LISTER
Hatch End, Middlesex

What a bargain!

Sir: I am much obliged to Gerald Dorey of Oxford (letter, 4 March) for being willing to buy my car for £1,500 on the understanding that, if I give him the £1,500 back, he will provide my family and me with the use of a good-quality car – in perpetuity. Would he kindly stop sheltering behind the relative anonymity of the letters page and publish his address, so that I can take him up on his kind offer?

(Perhaps he has not noticed that the transaction would make sense to him only if the car were worth a great deal more than £1,500. But if that's the case, I might be better advised to keep it.)

The Rev JEREMY CRADDOCK
Huntingdon, Cambridgeshire

Aretha's no softie

Sir: Your report on motorists' top 10 favourite tunes ("Drivers at ease with middle-of-the-road melodies", 3 March) fails to mention on the No 10 entry – Aretha Franklin's "Respect".

Far from being "easy-listening music", Ms Franklin's transformation of the Otis Redding number into an anthem of feminine self-assertion is far more of a "cutting-edge melody", despite its age, than anything Oasis or their counterparts have produced.

Could it be that female drivers favour "Respect" because that's exactly what they want (and so sactly what they want) from the sizeable number of male drivers who regard their car as a virility symbol? STEVE PILKINGTON
Stockport, Cheshire

Post letters to Letters to the Editor, and include a daytime telephone number.
Fax: 0171-293 2056; e-mail: letters@independent.co.uk.

E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

analysis

Fur coats come in from the cold

The popular image is of pretty animals kept in misery until a brutal death. But, says Richard North, the reality is tidy farms, serious investment and the best example of factory farming

Mike Cobbleddick owns a very fast-growing business. The 6,000 female mink he has on his farm in Devon will be mated this month and by summer will have an average of five small minks – "kits" – each. Many of them are the quite rare Blue Iris, which fetched about \$50 each at auction last month. Around 40 of them are needed to make a coat for the "dumb animals" of the anti-furists. Mr Cobbleddick last year bought a mink farm in Denmark to double his production, and next winter's harvest of kits should, with luck, gross him about £2m.

"I'm proud to be a mink farmer," says Mr Cobbleddick among the rows of skins on his English farm, built up over 30 years of riding a notoriously fickle market. "But here, I can't blow my own trumpet". Worse than that, in England he knows he's a pariah. His family and the 10 people he employs face picketing and worse from animal rights protesters.

Wherever it is, mink production involves pretty little animals who live in small cages and are gassed to death aged about seven months. From such farms, 85 per cent of the world's mink is produced, about 45 per cent of it on Denmark's 2,600 mink farms and very little on Britain's nine. It is paraded on the fashion show catwalks of Milan and Frankfurt. With such images to pre-



Mike Cobbleddick: 'I'm proud to be a mink farmer'

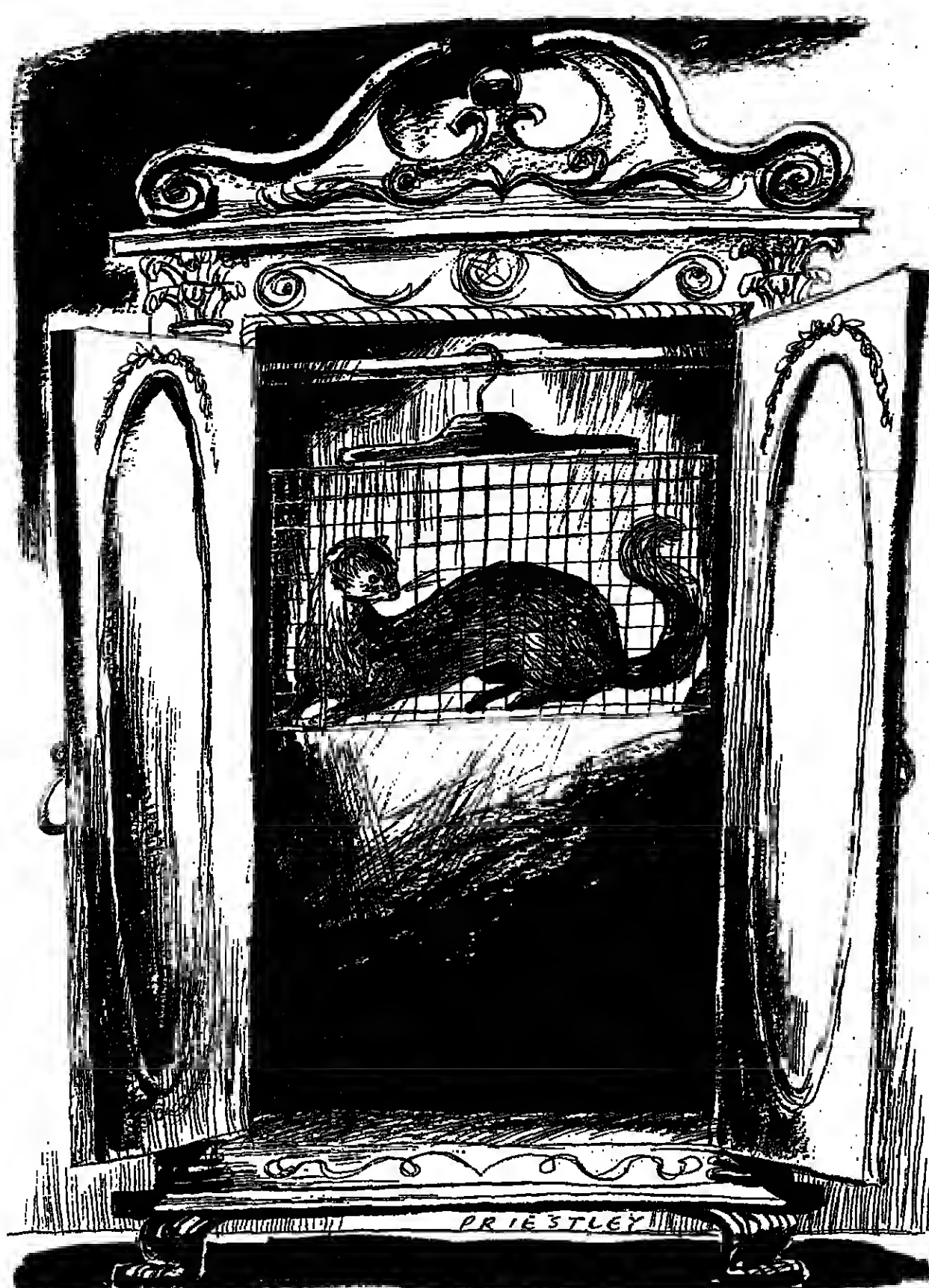
sent to the public imagination, it is hardly surprising that Peta (People for the Ethical Treatment of Animals, an American animal rights group) were able to persuade some of the world's leading models to protest against fur farming (though their doing so has not stopped several of them modelling its product since).

Behind the evocative images, there lies a more humdrum reality. Mike Cobbleddick's farms are neat and tidy. They bear witness to serious investment, and not merely in the hundreds of thousands of pounds' worth of equipment used to produce feed, or for the annual process of treating the skins. The farms don't smell any more than chicken or pig farms

are inclined to, despite the mink's main diet being waste from the fish industry (only about 10 or at most 20 per cent is grain which might be used for human food). Mr Cobbleddick's carcasses used to go for rendering and cattle feed, until the BSE scare. Now they go to landfill, but there are hopes that they will soon be part of the waste which fuels a biogas digester producing gas.

Walking between the rows of cages, it is not obvious what the fuss is about. The mink are lively but not frantic inquisitive but not nervously eager. As one would expect in creatures whose skins will be so closely inspected, they appear to be in prime physical condition.

But few people ever get to see these mostly reassuring scenes, or would necessarily trust a cursory view of them anyway. Instead, they might get in touch with the Government's statutory independent advisers for an informed view. Unfortunately for the fur trade, the Farm Animal Welfare Council (FAWC) – which includes vets and welfare campaigners – in 1989 reported on fur farming systems and said they "do not satisfy some of the most basic criteria ... for protecting the welfare of farm animals". FAWC's chairman then and now, Professor Colin Speeding, says the council felt "it would be very difficult to get it right". Mink (and fox, which we'll come to) were still wild



after "only" 50-60 generations of breeding in captivity. FAWC asked for further research to be undertaken by the trade before it would come to a conclusion as to what standards might be thought satisfactory. FAWC's existing position is sufficient to reinforce Labour's insistence that it would allow no new fur farms to be licensed, as evidence of its general policy that fur farming should cease.

But this gloomy position looks less tenable in the light of work by Georgia Mason, an ethologist at Oxford University, let alone a deal of Continental work. Following studies on a British mink farm, Dr Mason says: "As far as factory farming goes, the mink are probably the best example there is and the least cause for concern." True, on at least one farm Dr Mason has seen very prevalent behavioural problems, but she says: "I think they can be reduced but not totally abolished by proper husbandry". On five farms I saw none of the behaviour she pointed to.

Seen from a Danish perspective, mainstream British prejudices seem rather odd. Danes buy more free-range eggs than the British, and are growing more fussy than most Britons about the way their milk and pork are produced. But most Danes seem wholly

unfazed about mink farming. From the windows of Birger Christensen, perhaps Copenhagen's leading manufacturer and retailer of furs, Pia Rasmussen looks out on the world's first pedestrian street and sees women of every age and income wearing fur. She says: "We have hardly any protest at all. Oh, perhaps a little some years ago. But nothing since."

The scenes of apparent contentment in Mr Cobbleddick's Danish farm match those of his farm in Devon (and he says both are typical of any mink farm in the West). In part they flow from the modern acceptance of the kinds of thing FAWC has talked about: the mink all have nest boxes and the cages allow the animals to stand on their hind legs. Jan Elnif, associate professor of fur animal science at the Danish Royal Veterinary and Agricultural University says: "These animals spend 18-20 hours a day in the nest box, as we think they do in the wild if there's enough to eat." Mink are fierce and mostly solitary animals, but modern farmers find both

mother and young do well if left together, and that young siblings also thrive in small groups. As to the notorious gassing, Professor Elnif points out that most farm animals suffer their worst stress being carted to slaughter, but that mink die in a cart wheeled to their cage. He adds: "Video evidence says that when the animal comes in, it can't smell the gas. Within 20 seconds they lose consciousness and are clinically dead in two to five minutes. Moreover, as you take an animal out of its cage it might scream but that doesn't disturb the others."

Mink are kept in wire cages, and that includes the flooring. But – and the same is true of battery hens – there is no evidence that they would prefer a solid floor. Professor Elnif says: "Copenhagen University have taken wire and solid huses and allowed the mink to decide which to spend time on – but they spend equal time on either." However, solid floors become filthy and unhygienic very quickly. FAWC had suggested that mink, being semi-aquatic, might like to have swimming facilities in their

cages. Professor Elnif is doubtful: "It doesn't swim like an otter. It can't see more than 30 centimetres in the water. It sits and watches for prey from the shore and then dives in for perhaps 10 seconds." The Danes suggest that the barrenness of a mink's cage bothers us but not the animal. Dr Mason is less sure: she and a colleague, Jonathan Cooper, are researching mink's preferences, and find the animals quite keen on swimming. "But that's not to say they would miss not doing it," she says. "It may simply be a case of out of sight, out of mind. We'll have to try to find out."

Denmark's leading authority on mink farming, Knud Erik Heller, associate professor at the Zoological Institute at the University of Copenhagen, says we can certainly tell whether mink are feeling stress, and what's more have a good idea whether they experience "good" or "bad" stress. Broadly speaking, short periods of mild stress are rather good for an animal, but sustained stress can be very bad. "These animals feel a good deal of stress around the times of mating and weaning", he says. But they can be assumed to like the first and not the second, rather like humans, and rather as they would in the wild. Professor

Heller stresses that much of what kindly people might assume must be good for animals may actually merely be good for the people wishing it so. "I honestly can't find anything to improve the condition of mink on farms".

There are no fox farms in Britain and very few in Denmark. Their management is controversial, and some mink farmers say they wouldn't undertake it. The Danish Animal Welfare Society's vet, Enid Weber, says she has little complaint about mink farming but does not approve of farming foxes.

To the untrained, and possibly anthropomorphising, eye there is something doggy and baleful about the way a caged fox returns one's stare. They can seem nervous.

However, things are improving, especially with the provision of a shelf which the fox can use as a retreat. Birthe Broberg, the senior veterinary officer at the Danish Ministry of Agriculture, says: "My experience is that before legislation was brought in you would see very barren cages and I felt that they weren't acceptable. But with the changes I thought I could see a difference in the fox. You didn't see the special behaviour of pacing and rolling around."

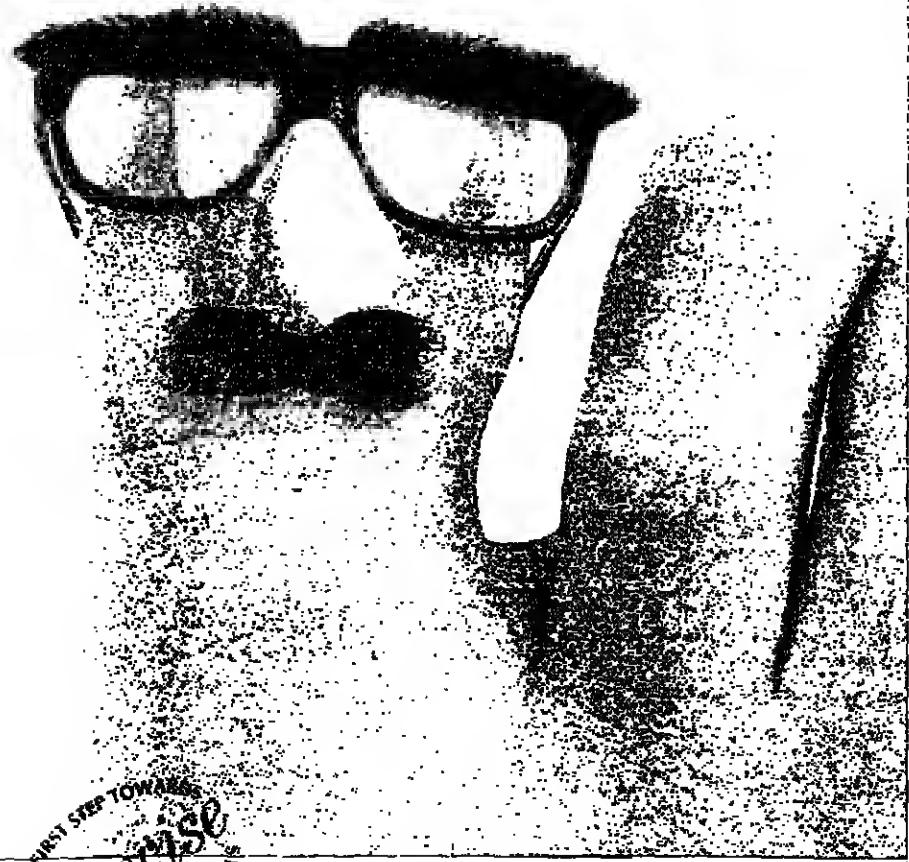
There is solid evidence that foxes respond well to being given a nest, and that handling when young helps them with human contact later. There is good evidence that foxes can be tamed, and thus perhaps made into surprisingly good candidates for factory farming.

The difference in view between British and Danish feeling is soon to be tested. A standing committee of the Council of Europe is due to meet at the end of April to discuss an updated set of standards for the farming of fur-bearing animals. It is composed of vets from various agriculture ministries, with welfareists – mostly British – as observers. An early draft enshrines the current industry best practice for mink, and includes new provisions for nests and handling for foxes.

The accord will probably face opposition from countries with little or no fur farming, such as France, which operates with what we might as well call "bystander virtue". The British are sympathetic to the anti-farming case, but determined to try to broker as much improvement as possible. Should Labour win the forthcoming election, it is anyone's guess whether they would allow an agriculture minister to sign up to the convention in October, as currently planned.

Any agreement will probably not much dent the prejudice of many people that fur-farming, like fur-wearing, is too much of a luxury to deserve a decent hearing. None the less, it looks as though buying a mink coat is already, and buying a fox coat could soon be, about as morally challenging as tucking into a bacon sandwich. Even now, both are probably already less immoral than paying so little for an egg that it must be produced in a battery cage.

There's no disguising problem toenails



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As far as factory farming goes, mink are the least cause for concern

Professor Elnif says: "Copenhagen University have taken wire and solid huses and allowed the mink to decide which to spend time on – but they spend equal time on either." However, solid floors become filthy and unhygienic very quickly. FAWC had suggested that mink, being semi-aquatic, might like to have swimming facilities in their

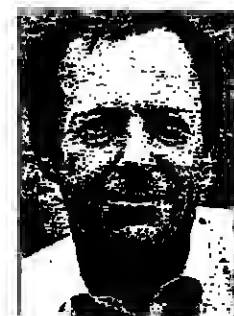
The same joke, and it has lasted well

I was leafing through a brief hlog of William Hogarth the other day, in case the subject should come up in conversation in this his tercentenary year, and I should have to display some rudimentary knowledge of the man, and one thing in it brought me up short. It was an entry describing young Hogarth's sixth year. "1703. Family moves to St John's Gate, where Richard Hogarth (father) opens a Latin-speaking coffee house."

The coffee house apparently did not prosper, as four years later poor Hogarth was in prison for debt, but I am not sure whether it was because the coffee was no good or because the obligation to talk in Latin was too daunting. It seems extraordinary to us today, when ancient Latin and Greek are not normally heard outside the classroom and not much inside, that there was a time when Latin was spoken as a colloquial tongue long after the last Roman had vanished, but it is not so long ago that Latin was considered necessary to a gentleman.

And it has not entirely vanished. There was a Radio 4 programme presented by Jeremy Nicholas not so long ago, which looked at Latin today and discovered at least one person who still talks Latin on a daily basis as part of his work. He was a jovial American working at the Vatican whose job it was to communicate with Catholic dioceses all round the world, and who often found that his only common language with a Latvian or Paraguayan cardinal was Latin. He did not speak Latvian or Spanish, and the man at the other end of the line did not speak English. Ergo, he used Latin as his lingua franca.

Well, you don't have to be very smart to realise that I managed to get three Latin words into that last sentence without anyone's eyebrows going up. Latin is still very much all around us. It may be a dead language, but its bones come to the surface every time we dig a bit. For instance, there was a good Latin joke in the Jeremy Nicholas programme which I think most people would still understand, and I will test



Miles Kingston

that theory by bringing you the joke now.

Here is the joke. Apparently there was a school which had to change its motto from Latin to English. The motto in English was "I hear, I see, I learn". Fair enough. Unfortunately, in Latin the motto came out as "Audio, Video, Disco".

Danish chuckles. End of joke. Of course there are Latin phrases which we use every day without thinking it strange, such as "status quo", or "anno domini", or "de

facto". But there are other expressions, often abbreviations, which we use daily without perhaps realising that they have a Latin origin. Eg "Eg" (*exempli gratia*), "ie" (*id est*), "viz" (*videlicet*). Other languages tend not to do this. The German for "viz" is not "viz" but "d.h.", or "das Heiss". The German for "eg" is not "eg" but "z.B." or "zum Beispiel". I don't think German or French even have an abbreviation, Latin or native, for "ie", but we love our Latin abbreviations, even if we couldn't tell you what the original means.

This is especially true of the language of footnotes, which is full of expressions like "op cit" and "qv" and "cf" and "passim" and "sic". I had always wondered why the abbreviation for "compare" was "cf" until just now I did what I should have done 30 years ago and looked it up in the dictionary. It is short for "confer" which is presumably the Latin for "compare". But the one I have always been wariest of is "ibid", short for "ibidem", meaning

"in the same place", and this is because I once was present at a most embarrassing moment whose memory I treasure even now. I used to share weekly French tutorials at university with a fellow undergraduate called Martin, and one week we had both prepared essays on the great but not very interesting French poet, Alfred de Vigny. It was Martin's turn to read out his essay. The tutor and I sat there half-asleep until Martin, talking about some poetic trick of de Vigny's, said:

"This particular poetic device is used a lot in *Ibid*, sir." At this the tutor jolted awake. "Ibid, eh? And what pray is *Ibid*?" said the tutor. "Oh, it's the title of a long poem by Alfred de Vigny," said Martin, obviously surprised that the tutor was ignorant of it. "It's very good. They're always quoting from it." The tutor glanced across at me to make sure that he wasn't hearing things. I raised an eyebrow. We both exchanged a silent but very enjoyable guffaw. "Carry on," said the tutor.

A glimpse at the dark heart of Toryism

Oops! The veil slipped a little yesterday and we glimpsed the underbelly of Tory Man - David Evans, motor-mouth MP for Luton, naked as nature intended. In an unguarded interview to sixth-formers, he talked of black bastards and his Labour opponent's bastard children. He said absurdly that the Birmingham Six had killed hundreds, and that Virginia Bottomley, dead from the neck up, only got her job because she's a woman.

No, no, that's only "dear lovable David" or "that perfectly horrible little spout" at it again, said assorted Tory voices hastening to explain away his "incoherence". Come, come, every party has its buffoons, all part of the rich warp and weft of Westminster life - where's your sense of proportion? Where's your sense of humour? These mainstream Tory voices imply that I am a typical boring blue-stockinged humourless Independent type - "You Islington chablis socialists," said one, "you are far too sensitive about politically incorrect language." Of course they deplore every word that Evans said - disgusting, disgraceful, but, well, that's Evans for you: "Salt of the earth" - has his finger on the working-class pulse. They love him.

Imagine if some Ken Livingstone had said anything a fraction as "off message". Think of the outcry at some mild heresy such as putting a penny on the income tax to pay for the NHS - Mawhinney would have it up there on posters faster than you could say loony left. A cry would go up that the militants are creeping out from under the Blair bed. As for Labour, they'd have had anyone a quarter as outrageous as Evans out on his ear by yesterday: the Tories will do nothing about their militant tendency.

No, it's just silly old David. But is it? In the lobbies and the corridors, the bars, clubs and conferences, and all the places in which Tories meet you hear the words, the phrases and above all the ideas that those words reveal. Wogs and himbos, tarts and nogs, chinkies, bits of skirt and bits of fluff (they are old, remember - average age of Tory members is 64). We all know... that Caribbeans are lazy dopeheads and everyone on benefits is a scrounger. We all know... fatherless children all grow up delinquent and teenage girls get pregnant on purpose to get flats. We all know... all asylum-seekers are frauds and all young blacks are muggers.

Now none of us talks in private the way we speak and write for public consumption. Jokes, shorthand, slang, there are a hundred things we say to our friends that we phrase differently for strangers. But not those words, not those ideas. Interestingly, every Tory I telephoned yesterday, even on the liberal wing, used the phrase "politically correct" at some point in the conversation, as in "We don't want to be too politically correct, do we?" or "I know he's awfully politically incorrect but..." - and there



Polly Toynbee
Commentator
of the Year

David Evans
embarrasses
other Tories
like the
breaking of
wind in a
public place

you have it. The right-wing press, right-wingers of all kinds bandy about the "politically correct" epithet because it has become a pormanteau cover-up for the unspeakable. Those who mock non-racist or non-sexist language as "politically correct" actually mean, but dare not say, that racism and sexism is OK with them. They pretend that it is the language of equality that they deplore - but actually it is the idea of equality they deplore.

So have we glimpsed into the dark heart of Conservatism - or is it just "maverick", "one off", "our man on the terraces" Evans? Take immigration, for instance. By chance yesterday in the Commons Nicholas Budge urged the Prime Minister to attack two liberalisations of immigration law promised by Labour - but John Major snubbed him, determined not to play the race card (his last remaining linchpin of genuine decency - though after him, what vileness comes next?). When I talked to Budge, he was angry: "Strict control of immigration is important - but it only comes on page 480 of our election guide. Go and ask my people in Wolverhampton what they think. It was very silly of the Prime Minister to give in to the politically correct lobby."

John Carlisle MP never knowingly outanked on the right, praised Evans yesterday; right, praised Evans yesterday; right, praised Evans yesterday. Let's call a spade a spade. When Margaret Thatcher spoke of immigrants swamping us, she struck a chord. You should have heard my taxi driver talking about the Hums and being pushed around by a load of foreigners. Ask the chap in the public bar and he'll tell you about asylum-seekers... and lots more on those lines.

On the other wing, Edwina Currie (whose chances of re-election are vanishing by the day) was in free-talking mood yesterday, scathing about the wrong tone her party strikes: out of touch, out of date, with no notion of human touch, race, gender, equality or gay issues. "MPs rights, race, gender, equality or gay issues. They think women are all wives and mothers, and the only ones they tolerate in the Commons are unthreateningly stupid, like Dame Jill Knight and Lady Olga Maitland. They don't understand the world has changed, and they cause offence whenever they talk about single mothers, marriage or divorce."

The Tory party has driven the voters away. Yes, there are decent Tories who will not talk race: black bastard talk is vulgar and loutish. But you don't have to scratch them to find that they are all indeed conservatives, and conservatives are not liberals. David Evans embarrasses them like the breaking of wind in a public place, because it is what so many of them do themselves in private. And if the more fastidious of them do not, then they tolerate talk and jokes like that in virtually every dwindling Conservative club full of old, sour, mean, white faces up and down the land.

The Bishop of Birmingham seems a remarkable fellow. He appears fantastically unbothered by the seething hatreds and accusations of racism that have been flying around his King's Norton parish for the past couple of years, since the Rev Eve Pitts was taken on as part of the ecclesiastical team.

The trouble was revealed when the Rev Pitts complained in church that, almost from the time of her appointment, she had been treated as "a doormat" by her senior colleague: she assumed the bishop would support her, but found only a typed letter of resignation waiting for her signature at the episcopal HQ.

When asked about the matter, the Bishop assured the press his turbulent vicar was a "talented pastor" and that, if she would resign quietly, she would get her full stipend and could keep her parish house. For a leading cleric to assume this would be any comfort to a person who had pursued her vocation through a thousand obstacles, to become the country's first black lady vicar, seems howlingly insensitive. Next day, the Bishop announced his engagement to Ms Sabine Bird, with the words "We are both surprised and delighted by this turn of events", as if it were happening to somebody else. How detached from reality must you be, to be surprised by your own actions?

But then Bishops of Birmingham have always been a little wayward. Philip Hoare, who has just finished writing a study of the Bishop of Birmingham at the time was one Russell Wakefield, an outstanding chap, pillar of the Established Church, who presided over the "Cinema Commission of Enquiry" in 1917, set up by the National Council of Public Morals to look into loose behaviour on screen.

Possibly fired by images of celluloid smut, the upstanding bishop set his crozier at Marie Stopes, the shockingly controversial women's rights campaigner and contraception impresario, who was on the commission representing the Society of Authors.

"The Bishop was so devoted to me, he implored me to marry him and said he would give up being a Bishop



Oration negation: Luciano Benetton, above, said he was glad to have started a debate. So did Noel Gallagher, below left, and so did Michael Bogdanov, below right



If I would only promise," Ms Stopes wrote to Oscar Wilde's paramour, Lord Alfred Douglas. "But of course he was far too old for me." What on earth do they put in the holy water in Brummiehand?

Maybe the Bishop would have benefited from a little chat with the Almighty, and I don't mean prayer, or meditation or mystical communion. I mean a conversation. That is what an American writer called Neale Donald Walsch claims to have done; and the resulting colloquy, *Conversations with God*, is a best-seller.

Mr Walsch's "uncommon dialogue" with the Almighty began in 1992 when he was writing an irritable letter to Hm (as you do) complaining about his lot in menopausal terms: "Why isn't my life working?"... "What have I done to deserve a life of such continuing struggle?" To his amazement, his pen began writing by itself and God, he claims, replied. Walsch says the answers from on high came fluently, as if he were taking dictation, and went on for three years.

What kind of conversationalist does God turn out to be? He alternates



snappy interchanges, like Socratic dialogues, with long tirades about creation, death, the soul and how to avoid being a Bad Person. He talks about "damage limitation" and "optimum advantage", says "no way" a lot and quotes from "your Shakespeare". He sprinkles his discourse with camp French italics ("nerve pas?") and makes dull little jokes about hell - "Good grief," cries Walsch after one sally, "you're a regular comedian." "It took you this long to find that out?" God enquires wilyingly. "You looked at the world lately?"

God is surprisingly liberal about sex ("If I didn't want you to play certain games, I wouldn't have given you the toys") but as disabbling as a Chancellor on Budget Day when it comes to booze and fags ("If you've ever taken alcohol into your body, you have very little will to live"). On and on the Creator of All Things explains that yeah, there is life on other planets, sure, they've visited the earth and yep, they're looking at us now - but (displaying, for a spiritual being, an unexpected degree of publishing savvy) He can't say any more because it's all going in a follow-up volume.

"This does not seem,"

The Bish offers a deal, and God speaks out on damage limitation, aliens and the demon drink

john walsch

Walsch comments, with masterly understatement, of this self-created pile of bollocks. "like what a communication with God would feel like". The Redeemer ripostes, in Woody Allen-sprache: "You want bells and whistles? I'll see what I can arrange."

Last year Michael Bogdanov attacked theatre critics, and now four of them are to direct plays at the Battersea Arts Centre in London, thus risking the scorn and critical abuse that are their own stock-in-trade. Speaking on the Today programme, Bogdanov said: "Of course I welcome this news, I'm glad to be able to initiate a debate into..." I can't remember what it was supposed to be into - something like "Creativity and Critical Responsibility", I expect. But I'd stopped listening by then, having cut myself with a razor out of sheer irritation.

And what was it Noel Gallagher said, when he asked him about the fuss he had caused with his pronouncement that taking ecstasy was like having a cup of tea in the morning? "I'm verry glad," he intoned, negotiating his way uncertainly through this syllabic minefield, "to have initiated a debate on the danger of drugs..." And lastly, if you can stand it, there is Luciano Benetton, the supersmooth capo di capo of the Italian clothing dynasty. When I interviewed him last year, and asked about one of his had-taste advertisements the bloodstained army jacket one? the copulating horses one? the HIV one? he replied: "No we're not worried by the public's reaction. We are happy to have initiated a debate about Bosnia/ racism/ AIDS..."

Are you as fired as I am of all this debate initiation? It is now the standard response from anybody whose unprompted response would have been "Yes I was a complete pillock to have done/said/published that, wasn't I?"

The Football Bungle trial has been left hanging in mid-air, like a freeze-framed goalkeeper; but while it has gone on, a curious levity has prevailed. This is partly due to the judge, Mr Justice Tuckey, who punctuated the action with strange interludes. "OK let's break for lunch," he said one day to nobody in particular, "or in the vernacular of the Zimbabwean trial, let's grab a graze..." Summing up the evidence of Bruce Grobbelaar's former friend Chris Vincent, who contacted the tabloids about the goalie's alleged iniquities, he waggishly noted: "Mr Vincent has been called every name under the sun - although that's rather an unfortunate way of putting it..." The hilarity seemed to spread to Mr Grobbelaar. The balding net-diver was leaving court one day when a fan from the gallery plucked his sleeve. "Can you and I play golf when this is all over, Bruce?" he asked. "I don't think so," said Grobbelaar. "I can only see myself playing computer golf for the immediate future." "Oh come now," said the fan. "I believe one of those open prisons has a lovely nine-hole course..." "Thanks for the moral support," growled Grobbelaar.

The success story that is Europe

The more people know about the EU, the more they are in favour of it, argues Giles Radice

Today the European Movement launches Europe 97, a campaign to highlight the advantages of British membership of the European Union (EU). British membership may be the official policy of the three main parties. But that does not deter a sustained barrage of often inaccurate criticisms by politicians and much of the media, nor does it encourage the provision of accurate information about its benefits. Our campaign aims to help fill the gap.

Opinion poll after opinion poll has shown that the majority of the British people are anxious to find out more about the European Union and what it means for them. Mori research for the European Movement reveals that only 14 per cent

describe themselves as having "a good knowledge" of the EU, while only 7 per cent know about the single market. Significantly, those with good knowledge of the EU favour staying in by a margin of three to one. The majority of those with poor knowledge back leaving. In other words, the more people know about the European Union, the more they support Britain being part of it.

Europe 97 will explain why nine out of 10 business people think we should stay in the EU. The key point is that Europe is now where Britain sells its products. In 1995, 58 per cent of our exported goods went to the EU. We sell more to Germany than to the US, more to France and Belgium than to the whole of Asia, more to the

Netherlands than to China, South Korea, Hong Kong, Indonesia and the other Asian "tigers" put together. And it is mainly because of British membership of the EU that so many big foreign companies have invested in the UK. As Ian Gibson, chief executive of Nissan Motor Manufacturing (UK), puts it: "Europe is our home market and the foundation of our business."

When business prospers, so do British living standards. As the TUC has pointed out, millions of jobs now depend on the sales of British and British-based foreign firms in the single European market. Many of these would be at risk if Britain left the EU. Niall Fitzgerald, chairman of Unilever, has warned: "Careless talk about

withdrawal costs jobs." Indeed, one of the most significant developments of the past few months is the concern about the consequences of British isolation in Europe expressed by leaders of major companies, including BP, British Aerospace, BAE, Glaxo, Guinness, Northern Foods, Shell Transport and Trading, Unilever and Vauxhall, while big foreign investors, such as Rover, Siemens and Toyota, have warned about the dangers of Britain being permanently outside a strong European currency.

The benefits are not only economic. It is obvious, for example, that pollution does not recognise national frontiers. The EU has introduced a set of common standards, from which we in Britain gain. Ten years ago

half of British bathing beaches failed to meet EU standards. Today nine out of 10 fly the "blue flag" to show that they meet them.

Europe 97 will be reminding people that the EU, by healing the bitter conflict between France and Germany, has helped to keep peace in Western Europe for half a century, the longest period of peace for 300 years. War memorials in our cities, towns and villages bear witness to the cost to Britain of the European civil wars of the first part of this century.

The political case can be put another way. As part of the EU, the world's largest trading bloc, Britain has greater clout. For example, the 1993 agreement to free up world trade, in which the EU negotiated as one bloc,

is saving every British household £500 over 10 years. With membership of the EU, the British are becoming *de facto* citizens of Europe. In the single market, consumers increasingly buy Continental goods and jobs depend on success on the Continent. We travel, take holidays, study (last year, 26,825 students studied on the Continent) as part of the Erasmus scheme, increasingly work and even live (as nearly 1 million people do) on the mainland. Europe 97 will be reminding people that, despite the persuasive anti-European rhetoric, Europe is becoming a British place.

Giles Radice is Labour MP for North Durham and chairman of the European Movement.

The sick truth about those political gaffes

To explain some of the antics of politicians you need a good medical dictionary, says Glenda Cooper

Have you noticed how many politicians lately seem unable to control what they are saying? Political analysts often tell us they have made a "gaff" or are playing some sophisticated power game. But could they simply be ill?

Tourette's Syndrome is a rare disease of which two common manifestations are shouting obscenities and making inappropriate comments. Leading through a medical textbook, this suddenly seems ominously familiar. Is David Evans, previously seen as an obnoxious

right-wing Tory, in reality a misunderstood type suffering from the syndrome? Looking back at the news coverage this week, he might not be the only one. What about our Secretary of State for Health, Stephen Dorrell, most recently in the news after his *faux pas* over the single European currency? His friends - well, John Major may describe his remarks as a "slip" or a "mistake", but such obscenities as the Scottish parliament or the single currency fall from his lips all too frequently for us to see them as any

thing but a medical condition. A doctor could see that these two politicians are not alone in their suffering. Look around the House of Commons - perhaps itself a victim of Sick Building Syndrome - and many others appear to be medically challenged as well.

Are the Euro-sceptics suffering from Münchhausen's Syndrome by Proxy - a syndrome whose sufferers inflict harm on other people to gain attention? Sound familiar? Certainly they have succeeded in damaging the credibility and

unity of the Conservative Party. And everyone now knows Teresa Gorman's name. On the opposition benches, there is an increasing danger of Paradise Syndrome - the debilitating feeling that things are going so well that they can only get worse. The polls may show that Labour has an unassailable lead, but all Austin Mitchell, MP for Grimsby, can do is gloomily mention Tony Blair in the same breath as King II Sung and describe himself as a "squashed hedgehog on the road to the manifesto".

At the other extreme there is the Jerusalem Syndrome, which describes the condition affecting some visitors to Jerusalem who identify with, and temporarily believe, that they are a major figure such as St John the Baptist or the Messiah. Does this not remind you of Sir James Goldsmith, who since he moved to France has seen himself as a British Charles de Gaulle, ready to lead us out of Europe and into the Promised Land?

Finally there is de Clerambault's Syndrome - a form of delusional erotomania where a

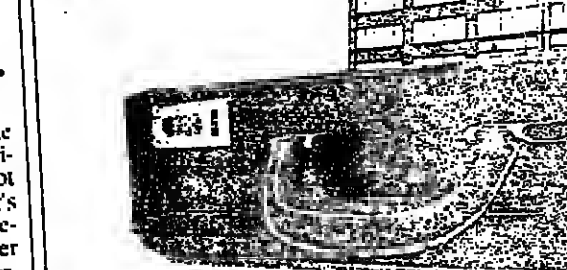
person believes that someone loves them when there is no evidence for this. Does this not exactly describe John Major's relationship with the electorate? But there is another possibility. He could be suffering from Option Paralysis, the inability to make a decision [such as the date of the general election] when faced with an excessive range of choices. But don't try to cure yourself, John. After months of waiting for the election, we're all suffering from Chronic Fatigue Syndrome anyway.

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BAT hit for £160m to cover pollution claims

Tom Stevenson
City Editor

BAT stunned the City yesterday with an unexpected £160m provision against the future cost of long-running pollution claims, the extension of an olive branch to the anti-smoking lobby and a renewal of hopes that the tobacco to financial services group was planning a demerger of its two main businesses. The shares, a hostage to sentiment for much of the past year, tumbled another 18.5p to close at 531p yesterday.

In a dramatic climbdown from the adversarial rhetoric that has dogged recent tobacco-related litigation in the US, BAT said yesterday it would be prepared to strike a deal with lawyers representing former smokers if they came up with a "sensible proposal".

The move opens the way for a multi-billion-pound settlement that would have been inconceivable until an onslaught of litigation in the past year made the tobacco companies' hawkish position on compensation increasingly untenable.

Martin Broughton, chief executive, blamed the spiralling cost of fighting court cases and the impact of the escalating litigation on BAT's share price for the apparent capitulation. He said BAT's US tobacco subsidiary, Brown & Williamson, spent \$100m (£62m) on legal fees last year, up from \$60m in 1995, and he expected the figure to continue rising.

News of BAT's new-found willingness to accommodate its opponents came as it announced a sharp slowdown in profits growth last year, with the

group's Eagle Star to Allied Dunbar financial services arm hit by an unexpected £160m extra provision to cover the likely cost of old pollution cases. BAT capped the day's revelations with a hint that a demerger of its tobacco and financial services operations was firmly back on the agenda in the group's attempt to return to a growth track in shareholder value.

Mr Broughton said BAT had hired two firms of lawyers in the US to advise it on the process of getting congressional approval for any settlement. But

he insisted a deal would only be acceptable if it drew a line under all present and future litigation. He said the sort of numbers flying around the press - some reports have suggested plaintiffs are seeking a \$6bn-a-year payment from the industry - were wide of the mark, but he admitted that paying up to \$100m a year would leave shareholders better off.

BAT's shares closed lower as the market digested the unexpected pollution charge which reflected a change to the way Eagle Star assesses its likely

liability in respect of pollution cases stretching back to the 1960s. Mr Broughton admitted it was not possible to say whether there would be further provisions.

He declined to comment on whether BAT had held discussions with Commercial Union on a possible merger of its financial services arm with CU or whether the putative deal would have been the prelude to a break up of its two main businesses.

BAT has been under pressure for some time to split its tobacco

and insurance arms which have no apparent synergies.

Pre-tax profits in the year to December increased by 5 per cent to £2,508m from £2,380m in 1995, which compared with a 26 per cent rise in profits the previous year. Earnings per share rose an even more modest 2 per cent to 48.6p (47.7p) but the well-covered dividend increased 8 per cent to 26p. A foreign income dividend increased the effective value of the payout by 3.5p.

Within the group result, tobacco made further progress after its strong performance in

1995, with profits rising 7 per cent in local currency terms to £1,630m. Volumes increased by 4 per cent despite a continuing slowing of demand in the US and world market share increased to 12.8 per cent.

Financial services, which takes in the Farmers business in America, slipped 3 per cent to £1,020m but stripping out the pollution provision, there was an underlying 16 per cent increase in life and investment profits and a £22m rise in general insurance profit to £586m.

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Sterling bumps against ceiling as rates stay put

Diane Coyle
Economics Editor

The pound bumped up repeatedly against its old lower limit in the exchange rate mechanism without breaching through in the 24 hours up until trading closed in London yesterday.

The currency's thwarted bid to pass the psychological barrier of DM12.78 came as all the signs were that Kenneth Clarke, Chancellor of the Exchequer, had resisted Bank of England advice at yesterday's monetary meeting to raise interest rates.

"Sterling has been up against the ceiling several times in the past 24 hours without quite making it," said Simon Briscoe,

UK economist at investment bank Nikko.

Neil MacKinnon at Citibank predicted that it was only a matter of time. "It will have another bash at testing the DM12.78 level in the very short term and will probably go beyond it."

The health of the British economy compared with the rest of Europe and investors' expectation that a Labour government will raise the level of interest rates after the general election help explain the strength of the pound.

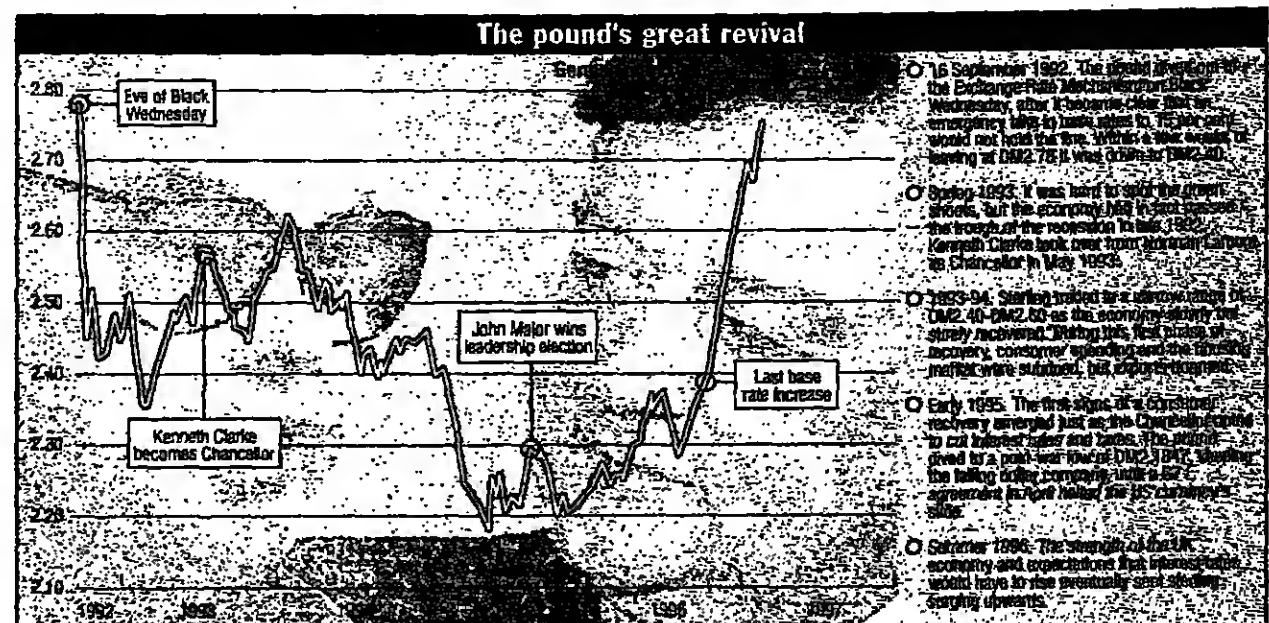
Virtually none of the City experts thinks the Chancellor will increase the cost of borrowing before then. "The chance of a rate rise before the election is remote in the extreme," said

Geoffrey Dicks at NatWest Markets.

"Any narrowing of Labour's lead in the polls would be seen as a negative for the pound," said Mr MacKinnon. In a reversal of the traditional pattern, the financial markets expect a tougher interest rate policy under Labour.

Investors also see a greater chance that a Labour government would take the pound into the single currency. That would diminish its current attractiveness as a safe haven from any possible turbulence related to the transition to European Monetary Union.

Economists foresee the exchange rate remaining strong until either British growth slows



down or the Continent catches up. But one warned yesterday that the pound would be falling at a time when inflation would be on the increase anyway.

"The strong pound will begin to unwind next year, when it will reinforce increasing inflation," said Andrew Sentance, director of economic

forecasting at the London Business School.

The economy's strong performance would lead to higher inflation, but with a long delay, he told a seminar at the National Institute of Economic and Social Research in London yesterday. He warned that there were "speed limits" on how fast

the economy could grow without triggering inflation.

Although economists are divided over the need for a rise in interest rates now, a majority forecast that inflation will be above its 2.5 per cent target at the end of this year and next year. The higher exchange rate is expected to reduce inflation

below what it would otherwise have been only in the short term.

The pound closed down slightly at DM12.7590 in London yesterday. After another strong start to trading on Wall Street, shares in London reached a new record. The FTSE 100 index rose by just over 2 points to 4,360.1.

Co-op rejects Regan's advance

Nigel Cope

Andrew Regan's audacious attempt to buy some of the non-food interests of the Co-op movement received a big setback yesterday when the Co-operative Wholesale Society firmly rejected his approach.

The 31-year-old entrepreneur, who controls the tiny investment vehicle Lanica Trust, had hoped to woo the old-fashioned movement with the prospect of a £500m deal.

But the Co-operative Wholesale Society snubbed his overtures following its regular monthly board meeting yesterday. "For purposes of clarification, the CWS board confirmed that CWS had not entered into any discussions with Mr Regan or Lanica in respect of any of its business interests and has no intention of doing so."

The Co-op's refusal to meet Mr Regan compounds the embarrassment of the affair. Lanica Trust's shares have been suspended since last month when news of its intentions were leaked to a Sunday newspaper.

There was further controversy yesterday when rumours swirled that HSBC James Capel was set to resign as Lanica's brokers. This was later denied.

The Stock Exchange declined to comment on Lanica's share suspension. The company's brokers admitted the shares had been suspended for longer than anticipated and said: "We would hope that the shares would be relisted in the near future."

Lanica's shares have proved a volatile investment and soared 31p to £19.50 in mid-February before they were suspended.

The shares stood at 11p last September when Mr Regan bought a controlling stake in what was then called New Guinness Investment Trust.

The Stock Exchange has refused to elaborate in its conversations with the company, only saying it has not launched a full-scale investigation.

Analysts say that even if Lanica's tilt at the Co-op colossus proves unsuccessful, a shake-up of its operations is becoming increasingly likely. It sprawling interests include farming, supermarkets, department stores, estate agencies, travel agencies and funeral parlours.

Disbelief as Sir Bryan joins C&W

Chris Godsmark
Business Correspondent

Senior British Telecom executives were yesterday said to have reacted with surprise to the appointment of Sir Bryan Carsberg, the former telephone regulator, to the board of Cable & Wireless' planned £5bn cable group.

Sir Bryan, who from 1984 to 1992 headed the watchdog, Ofcom, is to be one of three outside non-executive directors on the 13-member board of C&W Communications. He was responsible for moves to free up the industry, culminating in the end of the telephone duopoly between BT and Mercury in 1991.

The new group will be formed out of the merger of Mercury, C&W's UK subsidiary, with Bell Cablemedia, Nynex CableComms and the British operations of Videotron. The merger has been seen as a landmark step in providing tougher competition for BT in telephone services and BSkyB in the pay-TV business.

Last night a BT spokesman declined to comment on Sir Bryan's move. But another industry source said: "There's likely to be a sense of disbelief in BT about this. For Sir Bryan to join this company so soon after leaving Ofcom appears to be insensitive, to say the least. No doubt he will use his knowledge of Ofcom to benefit C&W."

However, Sir Bryan, who is a friend of BT's chairman, Sir Iain Vallance, brushed off the comments. "I notice Norman Tebbit didn't wait this long before joining BT's board," he said, pointing out that it was almost

five years since he left Ofcom. Lord Tebbit joined BT as a non-executive director in 1987, the same year he left the Thatcher government and just two years after departing from the Department of Trade and Industry, where he had played a key role in BT privatisation.

Sir Bryan, who joined the board of Nynex CableComms last year, said he was delighted at the job offer. He said: "I'm a great believer in this deal. It will provide really strong competition which has taken a while to get going in the cable industry since the early years. I have said many times that it has suffered from too much fragmentation and have supported moves towards consolidation."

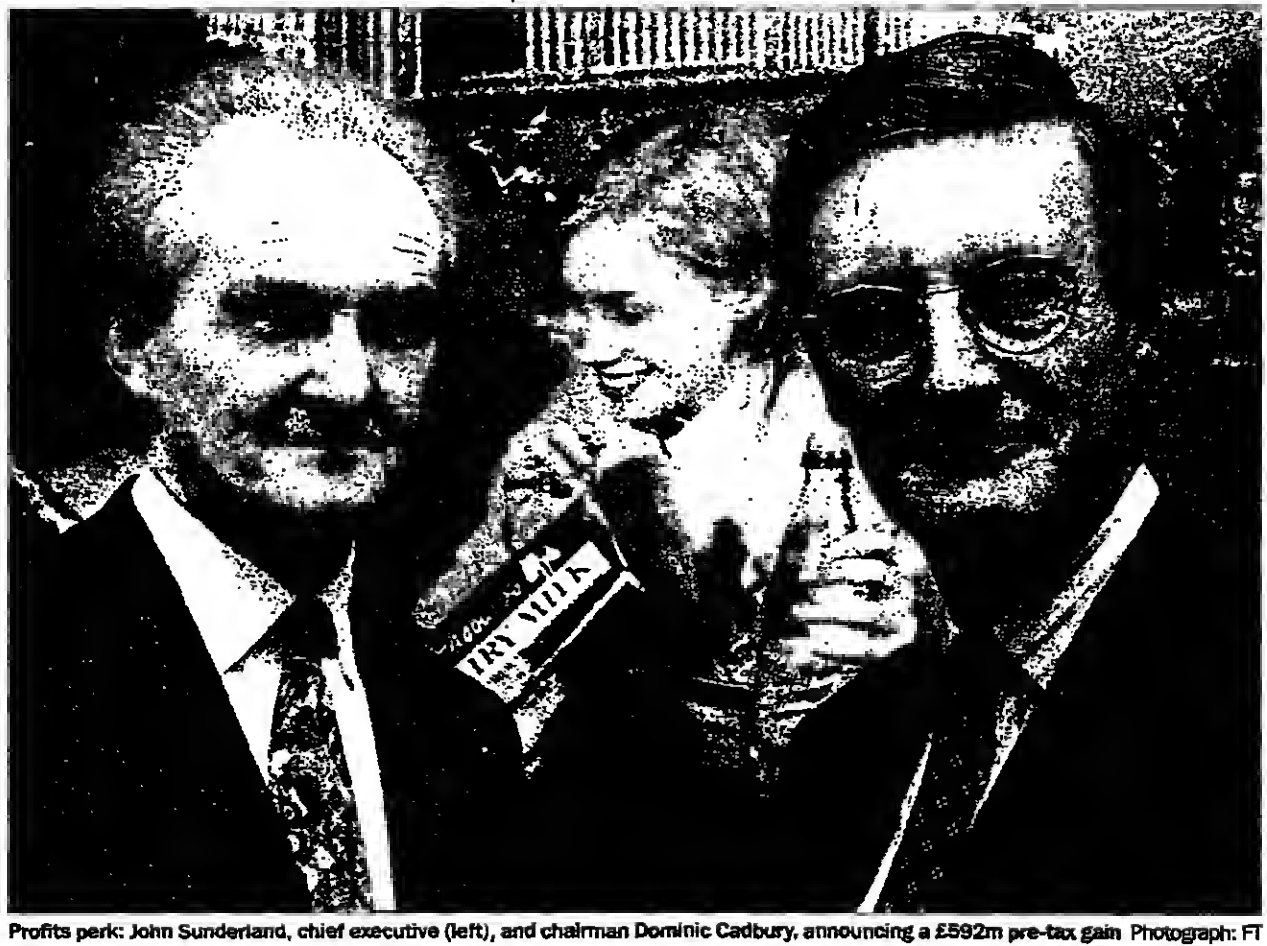
His salary and workload have yet to be decided.

C&W described the appointment as a "great coup" for Dick Brown, the chief executive who joined the group last year from the US. The other two outside non-executives are Valerie Gooding, managing director of Bupa, and John Keenan, a director of Grand Metropolitan.

The C&W Communications board will have just a single executive director. He is Graham Wallace, the new chief executive poached from Granada, while Mr Brown will be non-executive chairman. A further eight non-executives will represent the main shareholders in the venture. A separate executive board will be responsible for day-to-day matters. Three directors have so far been announced, including Mr Wallace, but C&W declined to give a target for further appointments.

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Cadbury Schweppes beverages sale provides firepower to fuel £1bn-plus acquisition deal



Profits perk: John Sunderland, chief executive (left), and chairman Dominic Cadbury, announcing a £592m pre-tax gain. Photograph: FT

Cadbury Schweppes could afford a £1bn to £2bn acquisition according to Dominic Cadbury, chairman, writes Nigel Cope. Mr Cadbury said the soft drinks and confectionery group had the firepower for such a deal following the £623m sale of its 50 per cent stake in Coca-Cola Schweppes Beverages which was completed last month.

"The company has more flexibility for a deal though £2bn might be stretching it a little," Mr Cadbury said. He added that there was nothing imminent that the company was planning. He was speaking as John Sunderland, the new chief executive, reported a 16 per cent increase in pre-tax profits to £592m. Separately, the company is looking to alter the management's long-term incentive programme and calculate payments using total shareholder returns rather than just earnings per share growth. The changes have been agreed by the remuneration committee and will be put to shareholders at the next annual meeting.

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T&N to cut global jobs after £388m loss

Magnus Grimond

T&N, the automotive components group, was left reeling from a series of blows yesterday after unveiling plans to axe an expected 2,500 jobs from its worldwide operations alongside a record £388m loss for last year.

It also emerged from Germany that a key 24.9 per cent stake in Kolbenschmidt, a leading German pistons manufacturer which T&N has been

stalking for years, had been sold to a private group. T&N shares fell 5p to 156.5p yesterday.

The job cuts came in the wake of competition and "operational inefficiencies" in the group's pistons and brake linings businesses. The group has set aside £15m to cover up to 1,500 redundancies in the current year and expects a further £25m charge in its 1997 figures for what analysts forecast will be a further reduction of 1,000 in

the workforce of over 30,000. Sir Colin Hope, chairman, said there would only be a modest number of job cuts in the UK, with continental Europe, which has the biggest cost problem, bearing the brunt of the reduction.

Underlying operating margins at the group slid from 11 per cent to 9.1 per cent last year. Sir Colin said the objective was to get them above 10 per cent again.

The headline pre-tax loss,

which compares with profits of £120m last time, was broadly in line with expectations following T&N's decision to make a £151m charge to draw a line under its long-running asbestos liabilities.

Sir Colin said he was "relaxed" about the sale of the Kolbenschmidt shares to Rheinmetall, a private automotive components business, despite the fact that they were held under option by Commerzbank on T&N's behalf until the end of December.

House prices on the rise again

Diane Coyle
Economics Editor

House prices rose last month, confirming the "modest recovery" in the housing market. Halifax Building Society reported yesterday.

The increase in February followed a drop in prices the previous month. This turned out to have been a one-off adjustment for the big gains at the end of last year, the society said.

"The housing market is continuing to recover at a moderate pace. The annual rate of house price inflation is in line with our forecast of 7 per cent for the fourth quarter of 1997," it said.

The increase in the 12 months to February was 6.8 per cent, down from 7.1 per cent in January. The average house price now stands at £56,612.

There were sharp fluctuations month-to-month in the price of new housing, Halifax said.

In addition, prices paid by first-time buyers jumped by 2.1 per cent in February following a 2 per cent fall the previous month.

The Halifax figures were

more or less in line with Nationwide's house price index. Last week it reported a 0.7 per cent rise in February, but put the annual rate of inflation at a higher - and rising - rate of 8.5 per cent.

Although mortgage lenders are keen to play down the dangers of an unsustainable boom in the housing market, some economists think house price inflation might climb into double digits later this year. It is already well past this point in Greater London.

Higher earnings growth, along with the prospect of income tax cuts next month and windfalls of free building society shares later in the year, are likely to boost house purchases.

In addition to the effects of high consumer confidence and pent-up demand to move house after the long slump in the market, some parts of the country are experiencing a severe shortage of homes for sale. Last week Nationwide said this was "causing upward pressure on prices in certain sectors of the market and frustrating many potential buyers".

STOCK MARKETS									
Index	Close	Day's change	Change (%)	1996/97 High	1996/97 Low	Yield (%)	Index	Close	Day's change
FTSE 100	4360.10	+2.40	+0.1	4360.10	3932.30	3.66	Nikkei	15080.00	+100.00
FTSE 250	4678.60	+12.00	+0.3	4678.60	4015.30	3.36	Dow Jones	8950.00	+10.00
FTSE 350	2156.50	+2.10	+0.1	2156.50	1916.90	3.60	Hang Seng	6750.00	+50.00
FTSE SmallCap	2253.12	+0.04	+0.0	2253.12	1954.06	2.90	Hong Kong	13410.76	+38.32
FTSE All-Share	2128.32	+1.94	+0.1	2128.32	1791.95	3.54	Frankfurt	3364.99	+44.33
New York	6985.92	+32.10	+0.5	7067.46	5052.94	1.96			
Tokyo	18273.51	+291.27	+1.6	22666.80	17303.65	0.981			

INTEREST RATES									
Short sterling	UK medium gilt	US long bond	Short sterling	UK medium gilt	US long bond	Short sterling	UK medium gilt	US long bond	Short sterling
6.00	5.69	7.50	6.00	5.69	7.50	6.00	5.69	7.50	6.00
6.38	5.34	6.81	6.38	5.34	6.81	6.38	5.34	6.81	6.38
6.32	5.34	6.81	6.32	5.34	6.81	6.32	5.34	6.81	6.32
6.26	5.34	6.81	6.26	5.34	6.81	6.26	5.34	6.81	6.26
6.20	5.34	6.81	6.20	5.34	6.81	6.20	5.34	6.81	6.20

CURRENCIES									
£/\$	£/DM	£/¥	£/\$	£/DM	£/¥	£/\$	£/DM	£/¥	£/\$
1.64	2.27	203	1.64	2.27	203	1.64	2.27	203	1.64
1.62	2.27	203	1.62	2.27	203	1.62	2.27	203	1.62
1.60	2.27	203	1.60	2.27	203	1.60	2.27	203	1.60
1.58	2.27	203	1.58	2.27	203	1.58	2.27	203	1.58

lowed a drop in prices the previous month. This turned out to have been a one-off adjustment for the big gains at the end of last year, the society said.

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The increase in the 12 months to February was 6.8 per cent, down from 7.1 per cent in January. The average house price now stands at £26,612.

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The effect during the years of transition is that we will pay twice - once through our taxes for those already in retirement and a second time by paying the funding costs of future pensions for those joining the workforce.

Why not abolish the state pension altogether?

To misquote a famous advertisement for lager, "it's bold, but not that bold". Billed as the Government's big election idea, the planned pensions shake-up is not, when examined closely, as radical as it seems at first. Nor are its effects on the public finances as great, either in the short or long term, as might be thought.

What the Government could and perhaps should have done was to abolish the state pension altogether for those under the age of 25 and made the provision of private pensions compulsory; subject, of course, to the usual safety net. What is proposed, notwithstanding Labour's strenuous warnings, falls a long way short of this uncompromising but eloquent and rather more realistic approach to the problem.

The essence of these proposals is not an abolition of the minimum state pension at all, but a privatisation of it; the money still comes from the government but the pension becomes funded rather than paid out of current government revenues.

The effect during the years of transition from a pay-as-you-go to a funded minimum state pension is that we will pay twice - once through our taxes for those already in retirement and a second time by paying the funding costs of future pensions for those joining the workforce.

According to Andrew Dilnot of the Institute of Fiscal Studies, the accumulator effect of this phenomenon on the public finances would be approaching £2bn annu-

ally after 10 years, equivalent to 1p on the basic rate of income tax.

This will, to some extent, be offset by the proposed reversal in the tax treatment of pensions. The Government wants to make voluntary pension contributions payable out of net income, rather than gross, the quid pro quo being that pension income would be tax free. In itself, this is a reasonable enough thing since it will put pensions on an equal footing with other forms of savings like Tassas and PEPs. But the real benefit of it from the Government's point of view is that it provides a very considerable cash flow benefit, a one-off boost to tax revenues.

Even so, it is not going to be enough to offset the paying twice phenomenon. So the net effect of these proposals is that tax and spending are going to be higher, not lower.

The real difficulty with this big idea, however, is that it only partially addresses the true problem. This is not, as widely thought, some great demographic explosion in Britain's pension costs, for if the present arrangements were left as they are, national insurance contributions would actually fall.

No, the problem is not that we cannot afford the present system, but that it provides a level of benefit that falls a long way short of our expectations. In that sense Britain faces the very reverse of what our European partners are grappling with, where the difficulty is very generous state and company pension arrangements but not enough money to pay for them.

Funding the state pension goes some way to solving the problem, for at least future generations of pensioners will get the benefit of an accumulated investment return. Even so, the state pension will fall a long way short of the decent living wage people expect in their old age. The fundamental problem of how to force people to save adequately for their declining years is not being addressed at all.

Tobacco deal is still a long way off

The tobacco companies put their finger in the dyke 40 years ago and have held back the flood of litigation with relative ease ever since. They have had a good run when you consider the overwhelming weight of evidence against cigarettes, but it was never going to be possible to snuff up the defences indefinitely against the might of the US legal system.

Yesterday's admission by BAT's chief executive, Martin Broughton, that the company would consider any "sensible proposals" from the lawyers queuing up to sue can be seen therefore as a pragmatic assessment of a lost cause. Sooner or later a case will go against the industry and when that happens, legal costs of \$100m a year will seem a minor irritation compared to the crushing financial costs that will follow.

Any deal, however, will remain elusive as

long as there is such a yawning gap between the expectations on both sides. The American tobacco industry makes a profit each year of about \$6bn and the lawyers aren't minded to settle for much less than that. BAT hints it might be prepared to pay as much as \$100m a year - which is what it spent last year on legal fees - in exchange for immunity from all present and future litigation. It's a big gap.

Two further problems remain. Assume a deal is struck between the tobacco giants and the plaintiffs whereby a proportion of profits are paid each year into a fund from which victims would be compensated and states reimbursed for their outlay on Medicaid. For such a levy to have any meaning, restrictions would have to be imposed on the companies to prevent them simply passing the cost on to consumers. Such a level of state intervention is simply inconceivable in America and it would never get Congressional approval. A deal is a way off yet.

Sir Bryan follows a well-trodden path

What are we to make of the appointment yesterday of Sir Bryan Cursberg, former head of the telecommunications watchdog Ofcom, to the board of Cable & Wireless Communications?

BT was full of indignation. What? Sir Bryan on the board of a competitor company

so soon after leaving the sensitive post of regulating the telecoms industry? But perhaps in all the excitement of merging with MCI, BT's corporate memory has become clouded. Wasn't it the then Norman Tibbitt who joined the BT board in the very same year as he quit the Cabinet and only two years after leaving the post of Secretary of State for Trade and Industry where he was directly responsible for the telecoms industry?

By contrast, Sir Bryan's period of quarantine seems positively epic. It is now five years since he left Ofcom. If, after all that time, there is still an element of the old boy network in operation, it is in the way Cable & Wireless was awarded a mobile telephone licence in the late 1980s. Lord Young, who was then in charge at the DTI, says it was Sir Bryan's decision. The rest of the world assumes it was down to Lord Young himself who, of course, went on to chair C&W.

There is a very simple way of resolving these difficulties. Ban all politicians, senior civil servants and regulators from taking up sinecures with companies they have previously been responsible for. That, however, really ought not to be necessary. Experience should teach companies and their investors to steer well clear of ministers and civil servants seeking a comfortable berth. British Steel, British Gas, NCF and, of course, BT have all underperformed the market after employing the services of former ministers. Could C&W Communications be the one to buck the trend?

Andersen Consulting revenues at record \$5bn

Roger Trapp

The growing trend for businesses to outsource non-core activities helped boost world-wide annual revenues at Andersen Consulting to a record \$5.3bn (£3.3bn) last year.

Though the firm reported "vigorous growth across all global areas", the Europe/Middle East/Africa/India region saw the biggest gain, up 33 per cent at \$1.9bn. Staff numbers in that region rose 21 per cent, to 16,128, compared with an overall 18 per cent rise to 44,801.

Business process management, as the US-based firm calls outsourcing, was the area with the biggest rise - fees rose 46 per cent to \$582m in the year to 31 December 1996. Among the clients contributing to that income were the industrial group DuPont, investment bank JP Morgan and troubled retail group Sears. At the same time, British Petroleum has extended a contract under which Andersen runs accounting and related administrative functions in the North Sea to other territories.

Vernon Ellis, European managing partner, explained that the firm was deliberately moving away from the provision of the straightforward information technology services for which it was well-known in the past towards helping organisations with all sorts of activities that, while essential, were not central to their businesses.

Although Andersen is seeing its business growing at well above the industry average, the whole market for outsourcing is expanding rapidly, driven by organisations' awareness that the business climate is changing so fast that they can survive only by concentrating on their strengths. What started in such areas as security, cleaning and

canteens has expanded into finance, logistics and even spare parts distribution as well as IT. Andersen says "business process management collaborations are as varied as the firm's clients and their needs".

Last week, both Capita, the business support services group that specialises in public-sector contracts, and Anglo-French computer services group Sema reported strong profits growth on the back of the increasing popularity of the concept.

Richard Holway, an independent computer industry analyst, attributed some of this to the fact the market was "in its infancy at the moment". But he predicted rapid expansion over the next 10 years. Industry sources forecast that the total world-wide business process outsourcing market will grow from about \$110bn in 1995 to more than \$282bn in 2000.

Organisations that focus on activities "further up the value chain" than mere IT outsourcing are expected to do particularly well, he added. Mr Ellis added that organisations seeking to transform themselves to meet increasing competition and other challenges were looking to Andersen in particular because of its "ability to operate across borders and the ability to bring world-class knowledge and experience to bear".

Such breadth of knowledge and of geographical coverage also helped the firm, run as a separate unit from the accounting and business advisory arm since 1989, in other areas, he added.

For example, communications saw revenues rise 32 per cent to \$756m on the back of the firm's ability to transfer knowledge from the US telecoms market - which was deregulated earlier than others.

Grid appeals on pension ruling

Chris Godsmark
Business Correspondent

National Grid yesterday appealed to the High Court against a ruling by the Pensions Ombudsman ordering the company to pay back £46.3m of surplus cash removed from its pension fund.

The move followed a final judgment last month by the Ombudsman, Dr Julian Farrand, which argued the Grid had "mis-used" the money, part of a £62.3m surplus identified in 1992. About 30 per cent of the surplus was used to increase pensioners' benefits while 70 per cent was used to improve the pensions element of the Grid's voluntary redundancy scheme.

The Grid also asked the court to postpone payment until the full hearing, expected in the next few months. However, the preliminary application to postpone the settlement could take place before the end of the group's accounting year, which runs to the end of March.

So far the Grid's accountants have argued the company does not need to make a formal charge for the pensions problem from its profits. Instead the amount will be listed in the accounts as a "contingent liability". The Grid said if it lost the case it would also have to increase its contributions to the fund by about £600,000 a year.

Last night a Grid spokesman insisted that the company believed it had acted lawfully over the pensions surplus. "We are challenging this on points of law. We will be arguing that the way we allocated the surplus was fair and lawful."

If the Grid loses the case privatised electricity companies could have to hand back almost £1bn to their pensions funds, which had their origin in a single scheme. National Power has already issued its own court proceedings to clarify the argument, while Eastern Electricity has said it could be forced to pay back £75m.



A STRONG YEAR OF GROWTH AND DEVELOPMENT

"Cadbury Schweppes produced record turnover, profits, margins and earnings and generated £137m free cash in 1996 against a background of organic expansion and acquisition."

1996 RESULTS

	1996 £m	1995 £m	% Change
Sales	5,115	4,776	+ 7
Trading Profit	671	600	+12
Pre-Tax Profit	592	511	+16
Underlying Free Cash Flow	137	100	+37
Earnings per Share (FRS 3)	34.1	31.3	+ 9
Underlying EPS*	34.1	29.9	+14
Dividend per Share	17.0	16.0	+ 6

A final dividend of 11.8p is proposed which, with the interim of 5.2p already paid, makes a total of 17p per share for the year.

*Excluding disposal profits in 1995 of £15 million (£14 million after tax).

We are a truly global business operating in growth markets all around the world. In the US, Dr Pepper continues to outperform the soft drinks market and it is being launched internationally into new markets such as Mexico, Australia and Russia.

1996 saw outstanding performances by our core confectionery companies with product innovation the key to growth in most of our major markets.

At this early stage in the year we are confident of further growth and success in 1997 despite the impact of the stronger pound."

Dominic Cadbury
Dominic Cadbury, Chairman

Cadbury Schweppes

MANAGEMENT PROVEN IN THE MARKETPLACE

business

French hotel group to sell £260m stake in Compass

John Willcock

Compass shares fell 3.7 per cent to 713.75p yesterday after Accor, the French hotel group, said it would sell half of its 21.5 per cent stake in the catering company to cut debt.

Accor, the world's fourth biggest hotel operator, said it intended to place the 11.5 per cent stake in Compass with institutions through a global bookbuilding operation, co-ordinated by Dresdner Kleinwort Benson.

At yesterday's prices the 11.5 per cent stake was worth about £260m. Accor shares rose 3.1 per cent to 77.99p after reaching a record high of 78.10p at one stage during the day.

Accor said that it was going ahead with the sale with the full knowledge and permission of Compass's management. The bookbuilding started yesterday afternoon and is expected to be completed by tomorrow.

Compass said it was not concerned about the drop in the price of its shares.

"We're all confident there will be strong demand for our shares," said Roger Matthews, Compass's managing director. Francis Mackay, vice president and director general of Compass, said in Accor's statement: "The reduction of the Accor stake, in looking to large international institutional investors, allows us to widen the Compass shareholding and favours the company's liquidity."

Accor said it agreed not to cut its remaining Compass stake to under 10 per cent for 12 months. The upward limit on Accor's stake, if it were to buy in the market at a given time, was put at 11 per cent.

In a previous agreement, Accor could not sell more than 5 per cent of its holding in Compass over a 12-month period.

Accor gained the shares when Compass bought a one-third holding in Euresa France from Accor in September 1995, for which it received cash and about 70.7 million Compass shares.

Under the terms of the acquisition, Accor agreed to restrictions on the acquisition or disposal of Compass shares except with Compass's agreement.

The sale represents about 36.5 million Compass shares out of the 68.3 million shares Accor holds. The move is considered positive for the French hotel group because it has little management say in Compass, said analysts. The extra funds will also allow Accor to reduce debt and help it concentrate on core businesses.

"It's tremendous news for Accor," said Nigel Reed, an analyst at Paribas Capital Markets. "It means the company will focus more on improving the accommodation, travel arrangements and car-hire businesses."

Accor has been criticised for its debt load, slow growth in operating profits and under-performing units such as Europcar, the car rental company it owns with Volkswagen. The company's stock, however, has been buoyed by an upbeat outlook for the French hotel industry.

Accor is expected to reduce debt to £1.4bn this year from £1.7bn last year, analysts estimate. That comes after the company last month reported an 8.2 per cent rise in 1996 fourth-quarter sales to £7.17bn.

Accor, which has said it is trying to cut debt, focus on its core business and grow through acquisitions, yesterday said it formed a venture with NH Hoteles of Spain to open between 60 and 72 two-star hotels in Spain in the next seven years.

Succession under way at the top for Arjo Wiggins



Arjo Wiggins, the Anglo-French paper and packaging group, yesterday filled the gap created by last week's resignation of Daniel Melin, the chief executive. The announcement that he would be succeeded by Philippe Beylier, currently managing director, coincided with a report that Sappi, the largest paper and forest products group in South Africa, had recently held talks with Arjo Wiggins about merging their coated wood-free businesses.

Eugene van As, chairman of Sappi, said after the company's annual meeting that depressed pulp prices made a case for

consolidation in the European paper industry. "We have talked to a large number of players about the possibility of restructuring our coated wood-free business and one of those was Arjo," he said. Operating rates are high because companies have failed to curtail production. "In the short term, prices may decline," he said.

Arjo also said it was seeking a successor to Bob Stenham chairman (above), who turned 65 in January. He has agreed to remain chairman until the end of September.

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

Cadbury's new head finds the City's soft centre

The City seemed to warm to John Sunderland, the new chief executive of Cadbury Schweppes yesterday, marking the shares 19p higher at 529p after his first big presentation to the broking community. As well as the 16 per cent increase in full-year profits to £592m, analysts liked what they heard from him about focusing the group more on shareholder value and his promises that Cadbury would be less profligate in its use of equity issues than it has been in the past.

Mr Sunderland takes over the group at an interesting time. While chairman Dominic Cadbury was pouring cold water on the possibility of a demerger yesterday, he was also hinting that Cadbury could afford an acquisition of £1bn to £2bn following the sale of its half stake in bottling group Coca-Cola Schweppes Beverages for £623m.

This hints at Mr Sunderland's main headache. Though Cadbury Schweppes is big, it is not quite big enough to battle it out with the likes of Coca-Cola and Pepsi in drinks and Nestlé in confectionery.

In beverages, the acquisition of Dr Pepper has given Cadbury Schweppes more muscle, but the group still lost share in North America last year as a result of competitive pressures. Coca-Cola spiked Cadbury's guns with a marketing blitz for its Sprite brand before Cadbury had unveiled its Seven Up relaunch.

The reliance on third-party bottlers for its distribution following the CDSB sale seems to make Cadbury vulnerable, though Mr Sunderland was emphasising the strength of its licensing agreements with Coca-Cola yesterday. Hefty penalties would be imposed if any of its products were delivered by Coke.

In confectionery, Cadbury's expansion into new markets may take longer to generate returns than originally expected. The start-up in Russia has already cost £18m and disposable income is growing more slowly than forecast. There are also problems with black market imports. China will take another two to three years to break even.

It is in confectionery that the big deal is likely to come as recent deals in this division have been relatively small.

Looking forward, Cadbury

Schweppes claims that Dr Pepper is growing ahead of its markets, while the long decline of the Seven Up brand is stabilising. But the threat remains from Coca-Cola, which is putting more resources behind Mr Pibb, a brand pitched directly against Dr Pepper.

In spite of the share price rise yesterday, many analysts left their 1997 forecasts unchanged at £565m-£580m. That puts the shares on a forward rating of 15. Given the competitive pressures and the recent run from last month's low of 468p, they are not worth chasing at these levels.

But the real cloud hangs over the European cables business. Draconian measures to cut spending at Italy's state-owned ENEL electricity group ahead of privatisation are hitting BICC's power cables operation there and Mr Jones is signalling it will be next to face his scalp, following similar measures over the past 12 months in the US and Germany.

There are signs that his efforts are bearing fruit. US cables' profits were up two-thirds and cables is close to his target of 20 per cent return on capital. Longer-term, the £115m or so to be spent over the next two years on optical fibres, cables and the Asia-Pacific region should deliver growth in the high teens for the most exciting third of BICC's business.

Full-year profits of £165m would put the shares on a forward multiple of 18. High enough.

BICC finds a banana skin

Alan Jones, the new-broom chief executive of BICC, had reason to feel a little bruised yesterday. Despite his delivering annual figures to December in line with forecasts and net debt at £80m close to half the level of expectations, the market marked the shares down 8p to 271.5p. They are now just above last October's 270p rights price, having underperformed the market by more than 50 per cent over the past three years.

Over the past two years, Mr Jones has unveiled a realistic strategy of revitalising the low-growth copper cables to construction business, while expanding the faster growing optical side, now aided by the £170m raised in the cash call.

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Looking forward, Cadbury

turnover only £87.2m there is still plenty to go for.

Investors should expect the trickle of deals to continue but shouldn't worry about it. Chris Swan, chairman, has shown he has the ability to absorb a stream of acquisitions and the 26 per cent rise in earnings per share, reported in the six months proved he can do it without diluting earnings.

Shareholders were rewarded with a 2.2p dividend, a 16 per cent increase.

Floated at 130p nearly three years ago, Finelist's shares have nearly tripled, shrugging off calls on shareholders such as the 4-for-17 rights issue in January to pay for the Ferraris deal. Worries that it was just

another 1980s stock market shooting star that used its high-flying shares to create a house of cards have proved well wide of the mark.

The key to Finelist's progress is the economies of scale that will give the group a huge advantage over its smaller peers. Compared with the small back-street chains that typify the industry, Finelist's buying power with manufacturers such as Lucas grows with every deal it does.

On the basis of forecast profits this year of £17.4m, the shares trade on a prospective price/earnings ratio of about 18. That incorporates much of the good news, but the shares remain good value.

HTV has not experienced a surge in advertising revenues, unlike other ITV regions, particularly London. Revenue rose just 2 per cent to £96.8m and its share of the national cake fell from 6.01 per cent to 5.84 per cent. The telecom advertising war which has brought in rich pickings in the capital has yet to reach Wales. Mr Sherwood, however, believes that HTV's new four-year deal with its airtime sales agent, TSMs, will bring improved results.

The Harvest Entertainment programme sales division continued to prosper, pushing profits up 24 per cent to £5.6m on turnover up only 5 per cent to £32m. Its contribution to group profits shot up from 36 per cent to 44 per cent and could be over 50 per cent this year, boosted by an alliance with Warner Brothers. The first joint production, a 26-part animation series, Zorro, will be shown in the autumn.

Turnover last year edged up by 3 per cent to £139.3m, operating profit was almost unchanged at £12.2m and the cost of bringing in digital technology resulted in £1.1m of exceptional charges. Pre-tax profits plunged 18 per cent to £9.9m. Earnings per share slipped by 2p to 8.5p. The dividend, how-

ever, goes up 11 per cent to 4.15p.

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IN BRIEF

• **Ivory & Sime**, the troubled Edinburgh-based fund management group, has hired a group of fund managers from Scottish Amicable to run its investments in smaller companies to plug the gap left by the sudden departure of its previous team. The new team comprises John Johnston, Stephen Grant and Glen Nimmo and they join the other new faces at Ivory & Sime which lost many of its senior managers when they quit to set up their own "boutique". Sir James McKinnon, chairman of Ivory & Sime, said: "The appointment of the well-respected UK smaller companies team is good news for the company. The board looks forward to the marked outperformance of the next 12 months continuing." The smaller companies team had been run by John Todd but he was one of the fund managers who defected earlier this year.

• **Higher bonuses and salaries drove up staff costs** at CS First Boston and Credit Suisse Financial Products, the investment banking units of Credit Suisse, the Swiss banking group. Staff costs shot up by 25 per cent in 1996 to 606m Swiss francs (£235m) although trading income rose 33 per cent to SFr3.9bn. Despite operating income rising 17 per cent to SFr12.9bn, Credit Suisse reported its first ever loss of SFr2.43bn as a result of "extraordinary structural and strategic measures". The bank has introduced a new method for calculating the amount of capital it needs to set aside for credit risk which resulted in a charge of SFr3.9bn which led the bank in December to warn it would report a technical loss for 1996. The loss was greater than the SFr2.1bn originally forecast because of a SFr155m increase in general reserves for banking risk and a decision not to activate a SFr170m tax credit.

• **The Government should stay out of a European single currency**, a former member of the Chancellor's panel of independent economic forecasters said yesterday. Professor Patrick Minford of Liverpool University said a floating exchange rate regime was better than European monetary and economic union for all EU members. Even if the rest of the EU went ahead with EMU, the UK would be better off outside it, he said. "Tying the currency to a foreign vehicle exposes the economy to greater macroeconomic instability from world and supply-side shocks that floating largely protects against," Professor Minford said.

• **Sir Albin Rankin**, chairman of Christian Salvesen, said Sir Gerald Elliott, former chairman, should use the support he claims he has from shareholders to convene an extraordinary general meeting if he wishes to replace all or part of the current board. Sir Gerald has asked shareholders to vote against the board's resolution to approve a proposed special dividend of 34p per share which will be combined with a share consolidation. He said changes at the top were required in the long-term interests of shareholders. The vote will be put to shareholders at a meeting on 13 March.

• **Ibstock has sold five of its brick manufacturing plants**, which were the subject of undertakings it gave to the Secretary of State for Trade and Industry in July 1996 when it bought Redland Bricks, for £53m. It will use the proceeds to reduce borrowings. The plants were sold to Ambion Brick Company which paid £44m on completion and will pay a further £3m in instalments, with interest, over 21 months from completion. A further sum of around £6m payable by Redland under an agreement entered into by Ibstock and Redland at the time of the acquisition of Redland Bricks.

Company Results				
	Turnover £	Pre-tax £	EPS	Dividend
ABP (p)	223m (212m)	53.5m (48.4m)	118.9p (117.6p)	4.25p (2.5p)
BICC (p)	172m (147m)	112.5m (108m)	13p (9p)	12.5p (12.41p)
BAT Industries (p)	24.5bn (23.4bn)	2.5bn (2.28bn)	48.6p (47.7m)	18p (14.15p)
British Biotech (p)	3.5m (4.4m)	-1.55m (2.05m)	-4.3p (0.2p)	nil (-)
BWD Resources (p)	15.9m (14.7m)	2.54m (2.51m)	8.5p (8.3p)	6p (5p)
Cadbury Schweppes (p)	5.1bn (4.8bn)	523m (529m)	34.1p (31.3p)	17p (16p)
Finelist Group (p)	59.4m (52.6m)	7.1m (4.05m)	10.3p (9.2p)	2.2p (1.3p)
HTV (p)	139m (135m)	9.5m (12.1m)	10.3p (10.9p)	4.15p (3.75p)
Metrol Builders (p)	22.9m (19.3m)	5.08m (4.73m)	34.4p (28.3p)	20p (16p)
Sat Plus Group (p)	13.9m (14.0m)	3.72m (3.78m)	13p (12.1p)	11.2p (10.45p)
Trace Computers (p)	- (-)	0.15m (0.05m)	1.03p (0.25p)	nil (-)

(p) - Paid (t) - Interim (f) - Before exceptional

Biotech moves towards first product launch

Magnus Grimond

British Biotech, the UK's leading biotechnology company, yesterday took a step closer to launching its first product by submitting an acute pancreatitis drug for European approval.

If the application for Zaccutax to the European Medicines Evaluation Agency is successful, the company could see its first sales in some of the 15 countries of the European Union as early as next spring.

Keith McCullagh, chief executive, described the move as an important achievement for the company, which has yet to make a profit and yesterday unveiled a further £17.6m deficit for the nine months to January.

"It marks a landmark in the history of the company... While we wait to hear from the EMEA, manufacturing and pre-marketing activities are under way in Europe and progress continues with the further clinical development of both Zaccutax and Marimastat."

Analysts were less enthusiastic than Mr McCullagh about yesterday's news and the shares rose just 0.5p to 251.5p. One follower said there had been little new in the announcement and expressed some concerns over the data used to support the Zaccutax application. Until further information became available in May it would not be possible to test how rigorously the company had been in differentiating the effects of the disease on the body's organs after the new treatment, he suggested.

Elsewhere, Marimastat is "continuing exactly on track", according to the company. The nine months' losses, which were said to be "well within budget", compare with £15m for the comparable period of 1995-96 and include a third-quarter deficit of £1.55m, down from £4.05m before. The latest three months saw "turnover" soar from £4.5m to £8.53m after milestone payments totalling £4m from Glaxo Wellcome for a potential arthritis and inflammatory bowel treatment and £1.4m from Tanabe Seiyaku, the company's partner for Marimastat in Japan.

Cash of £193m includes the £143m raised from last year's rights issue.

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Sherwood confirms he wants HTV licence fee to be reviewed

Clifford German

Louis Sherwood, chairman of HTV, yesterday confirmed this week's report in *The Independent* that he was seeking a review of the company's licence terms as he disclosed that its annual £24m licence fee was slashed by almost 25 per cent of last year's advertising and broadcast revenue.

He said the company was talking to the ITC over the terms of a review which could take effect in 1999, and which would be four years before the 10-year contract was due to expire.

Mr Sherwood and Christopher Rowlands, chief executive, hope for a "significant reduction" to reflect the vastly increased competition from other television channels. They are reluctant to put a figure on it, but some analysts think the cut could be as much as 50 per cent.

HTV will have to argue its case hard, but the company is

already exceeding its commitments to local programmes.

The remarks about the licence review accompanied HTV's annual results which, despite optimistic noises on prospects from Mr Sherwood, disappointed investors and sent the company's shares down by 10p to 350.5p.

Turnover last year edged up by 3 per cent to £139.3m, operating profit was almost unchanged at £12.2m and the cost of bringing in digital technology resulted in £1.1m of exceptional charges. Pre-tax profits plunged 18 per cent to £9.9m. Earnings per share slipped by 2p to 8.5p. The dividend, how-

ever, goes up 11 per cent to 4.15p.

HTV has not experienced a surge in advertising revenues, unlike other ITV regions, particularly London. Revenue rose just 2 per cent to £96.8m and its share of the national cake fell from 6.01 per cent to 5.84 per cent. The telecom advertising war which has brought in rich pickings in the capital has yet to reach Wales. Mr Sherwood, however, believes that HTV's new four-year deal with its airtime sales agent, TSMs, will bring improved results.

The Harvest Entertainment programme sales division continued to prosper, pushing profits up 24 per cent to £5.6m on turnover up only 5 per cent to £32m. Its contribution to group profits shot up from 36 per cent to 44 per cent and could be over 50 per cent this year, boosted by an alliance with Warner Brothers. The first joint production, a 26-part animation series, Zorro, will be shown in the autumn.

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Fear of flying into next century boosts techno stocks

Taking Stock

Data Bank

FTSE 100
2,456.5
+10.5
+0.4%

SEMI-CONDUCTORS
+0.5%

COMPUTERS
+0.5%

SOFTWARE
+0.5%

TELECOMS
+0.5%

TECHNOLOGY
+0.5%

Share spotlight

Alcoholic Beverages
+0.5%

Banks, Merchant
+0.5%

Banks, Retail
+0.5%

Breweries, Pubs & Rest
+0.5%

Building Construction
+0.5%

Building Materials
+0.5%

Chemicals
+0.5%

Diversified Industrials
+0.5%

Electricity
+0.5%

Electronics
+0.5%

Engineering Vehicles
+0.5%

Extractive Industries
+0.5%

Food Manufacturers
+0.5%

Food Retailers
+0.5%

Health Care
+0.5%

Household Goods
+0.5%

Insurance
+0.5%

Investment Companies
+0.5%

Investment Trusts
+0.5%

Leisure & Hotels
+0.5%

Life Assurance
+0.5%

Media
+0.5%

Oil Exploration
+0.5%

Oil Refining
+0.5%

Other Financial
+0.5%

Pharmaceuticals
+0.5%

Printing & Paper
+0.5%

Property
+0.5%

Retailers, Food
+0.5%

Retailers, General
+0.5%

Support Services
+0.5%

Telecommunications
+0.5%

Textiles & Apparel
+0.5%

Tobacco
+0.5%

Transport
+0.5%

Water
+0.5%

The joke going round City dealing floors yesterday was don't be on an aeroplane as midnight approaches on New Year's Eve 1999.

The reason for the gallow humour is the "millennium bomb" - the inability of computers to distinguish between the 20th and 21st centuries - that is ticking away in computer systems up and down the land.

Latest reports suggest that the extent of the problem has been greatly underestimated. Apparently programmers, worried by the high price of computer memory in the 1960s and 1970s, stored year dates in microchips as two digits rather than four to save money. As a result, the software will be unable to distinguish between 1900 and 2000.

The microchips, or embedded processors, are used in traffic lights, chemical plants, power stations, offshore oil installations while oil tankers,

war-planes and cars all depend critically on multiple embedded processors.

Not surprisingly, few companies have taken corrective action so far - it could take up to four years in some cases - so Ian Taylor, the UK Technology Minister, is raising the issue again at a meeting of European Union telecom ministers today.

In the meantime, traders don't want to be caught short of certain technology stocks. Several hit record highs yesterday, including Logica, 32.5p higher at 101.5p, Mays up 5p to 125.0p and P&P, 2.5p better at 228.5p. Micro Focus, another software group providing solutions for the millennium date change, scored 87.5p to 115.2p after returning to the black in the first quarter.

Back, which makes traffic light systems, raked ahead 3.5p to 86p as buyers emerged ahead of Tuesday's finale. The



MARKET REPORT

PATRICK TOOHER

shares have slipped back from over 120p since September's interim, but dealers say the fall is overdue as the second half order book was up 60 per cent.

Sage was another software group to hit a record high, up 3.5p to 64.4p, on further consolidation of last week's £40.1m cash acquisition of KHK, the leading accountancy software group in Germany for small and medium-sized companies.

According to Geordie broker Wise Speke, the deal further strengthened Sage's market position in Europe with leadership in the UK, France and now Germany. KHK was bought at an attractive price of 1.3 times sales and an exit mul-

tiples of 8.9 times estimated earnings, for 1996, helped by the relative weakness of the German mark.

With earnings forecast to grow by over 25 per cent in 1998, the shares stand on a prospective price ratio of 22 and Wise Speke expects relative outperformance of at least 10 per cent over the next 12 months.

It wasn't just the software sector that entered uncharted territory. The FTSE 100 closed an all-time high for the second day running, up 2.4 at 4360.1 after touching 4367. Fears about higher US interest rates were eased after Federal Reserve chairman Alan Greenspan said shares were

not overvalued as long as corporate earnings matched expectations.

The tone of his comments was rather at odds with remarks he made in December about the market's "irrational exuberance", repeated last week when he said Wall Street's two-year rally may have pushed prices to unsustainable levels.

Cadbury Schweppes, the soft drinks and confectionery giant, had a 40-vote session. Its shares initially dipped 7p but recovering to close 19p firmer at 529p after an upbeat post-results presentation sent analysts away happy with new chief executive John Sunderland's performance. A chunky 1.8 million shares were traded.

Glaxo Wellcome, reporting today, saw nervous selling. The shares retreated 21p to 10.15p on concerns about possible side-effects of steroid asthma inhalers and a profit

downgrading by broker Goldman Sachs.

BAT Industries was the weakest blue chip, falling 18.5p to 551p after saying it was willing to pay \$100m a year as part of an industry-wide settlement of US tobacco litigation.

Bid talks again lifted Reed, up 39p to 1181.5p, with Reuters the rumoured suitor, off 15.5p to 644p. Enamp closed 12p better at 747p, as chief executive Robin Miller became the latest board member to buy shares since managing director David Arculus quit last week.

FKI, still reeling from its failed bid for doorknobs group Newman Tanks, rose 4.5p to 190p on heavy volume of 4.1m as UBS reiterated its buy advice.

Sunderland slumped 32.5p to 675p. The shares are heading back to their 585p flotation price after an embarrassing 4-0 home defeat at the hands of Tottenham heightened relegation fears.

AIM-listed Geo Interactive Media advanced 4.5p to 99p. Testing for its Emblaze Creator has been successfully completed and is being adapted by Time Warner and Virgin. The product, which allows web page designers to embed video in their pages, is now ready for marketing and will be released at the Spring Internet World show in Los Angeles next week.

Shield Diagnostic's dazzling run continued. The shares have six-weeks ago to last night's close of 605p, up 44.5p. Shield's test to identify people at risk from heart disease received encouraging results in a trial of 2,500 patients at St Bart's in London. The outcome of a study covering 16,000 patients at the University of Houston in Texas is expected any day now.

Share Price Data

Prices are in sterling pence where stated. The yield is last year's dividend, grossed up by 20 per cent as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: 1 Ex rights 2 Ex dividend 3 Ex all 4 Unlisted Securities Market 5 Suspended 6 Partly Paid 7 Nil Paid Shares 8 A&S Stock 9 Source: FT Information

The Independent Index

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FTSE 100 - Real-time	00	Stirling Rates	04	Privatisation Issues	36
UK Stock Market Report	01	Bullion Report	05	Water Shares	39
UK Company News	02	Wall St Report	20	Electronic Shares	40
Foreign Exchange	03	Yield Market	06	High Street Banks	41

Anyone with a tone-dial telephone can use this service. For a detailed description of the Independent Index, including its portfolio facility, phone 0891 123 335. For assistance, call our helpline 071 675 4378 9.00am - 5.00pm.

Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume	Stock	Volume
Glaxo	250,000	Harrold	100,000	Glaxo Wellcome	150,000	Glaxo Wellcome	150,000
Reed	100,000	Reed	100,000	Reed	100,000	Reed	100,000
Reed	100,000	Reed	100,000	Reed	100,000	Reed	100,000
Reed	100,000	Reed	100,000	Reed	100,000	Reed	100,000
Reed	100,000	Reed	100,000	Reed	100,000	Reed	100,000
Reed	100,000	Reed	100,000	Reed	100,000	Reed	100,000
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Reed	100,000	Reed	100,000	Reed	100,000	Reed	100,000
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Reed	100,000	Reed	100,000	Reed	100,000	Reed	100,000

FTSE 100 Index hour by hour

Open 4345.5 down 12.2	11.00 4343.1 down 14.6	14.00 4362.2 down 1.5
09.00 4357.2 down 15.1	12.00 4340.6 down 17.1	15.00 4364.2 up 6.5
10.00 4344.8 down 12.9	13.00 4347.1 down 13.6	16.00 4359.2 up 2.1
		Close 4360.1 up 2.4

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Other Financial

Pharmaceuticals

Printing & Paper

Property

Retailers, Food

Retailers, General

Support Services

Telecommunications

Textiles & Apparel

Tobacco

Transport

Water

Government Securities

Index-linked

Mediums

Longs

Shorts

Undated

Recent Issues

Price

Qty

Recent Issues

Price

Qty

Recent Issues

Price

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Recent Issues

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'Unless we go to a system that suits us, four at the back and four in midfield, we might as well get the next plane home'

derland, and the former West Ham centre-half, Alvin Martin. "I'm sure we can agree with the general concept of what he's spoken about," but it was disappointing that only two had the guts to stand up and be counted."

As Fenwick is now making significant progress as manager of Portsmouth with a further opportunity for advancement on Sunday when Chelsea visit Fratton Park in the FA Cup quarter-finals, a good deal of the credit for the club's revival would be tolerated in the quest for collective understanding. "Well, there has to be room for input," he smiled.

The remark reminded me of a instructive tale told by an outstanding coach, Alan Brown, who managed Burnley, Sheffield Wednesday and Sunderland. "At Burnley I was the summer's first signing, and I was



One advantage Fenwick holds over the seven other surviving managers in the FA Cup, all of whom have yet to collar a major trophy, is the assistance of a chairman who knows what he is talking about. In

ment. In common with all managers he believed that most newspaper critics are naturally perverse, and admiration is wrong from them only by a particularly impressive performance. Hearing the Pompey Chimes does not entirely blank out the fact that it isn't so long since he was under fire from disgruntled supporters.

One thing Fenwick can refute personally is that all those who have a name for football are fools today. He is not so much inclined as to become unconsciously ungrateful. The youngest, at 35, of the Cup's surviving managers, he said: "It isn't a case of feeling humble, but I appreciate the opportunity that came along here."

Some shared sightings, including David Hillier, picked up cheerily from Arsenal, who had been on the match, and, as Mr. Smith, Stenson, who

was a car salesman and part-time professional with Elsborg in the Swedish Second Division until recommended by Ted Peterson, boss of the club, to establish Fenwick as serious promotion contenders. "That's the most important thing," Fenwick said.

But, of course, it is difficult for Fenwick to keep his player's minds off the Cup. "The closer it gets the longer it becomes," he smiled. "I'm sometimes going to have to look back on the final, I mean."

The next time you see a repeat of Diego Maradona's infamous fisted goal against England in 1986 look for Fenwick to mount the most vigorous protest, following the referee's call to the half-way line. "The referee's offside," he'll yell. "The rest of the team doesn't join in," he said. He never was one to go quietly.

Mike Rowbottom meets the Welsh sprinter whose rise takes another stride at tomorrow's world indoor championships

I have had defeats. As a junior I was very small and I was always, always losing. But in a way, I think it was a good thing for me that I learned to take a beating. "I've had some real disappointments, of course. Seeing Roger and Iwan run in the Olympic final and thinking, 'I couldn't have been there.' That wasn't fun. But things don't get to me too deep. I'm not one of those people who moan around thinking, 'Oh God, I didn't do this. I didn't do that.' I just like to get on with things."

Jamie, adopted when he was five months old by Marilyn and Alan Baugh and brought up in Cwmbran, clearly has a natural resilience: a natural ebullience, too. His habitual grin

Profitable habits, as well. Last month Baulch earned his highest single payday so far (£12,000) – by winning the Ricoh Indoor Grand Prix. “It’s come all of a sudden for me,” he said. “If I ever get to the level where Colin and Linford are, I would love it, but I haven’t really thought about it to be honest. I’m not going to Paris for money. I just want a title.”

The Palais-Omnisports awaits part two of *The Fall and Rise of Jamie Baulch*.



Derick Allsop assesses the chances of the champions retaining their drivers' and constructors' F1 championship



Head admit they
ing they can retain
ve edge. "We'll
t time," Williams
e been thinking
be two years, or
know. I just hope
ne road yet."

the traditional quartet while Lewis handles the drinks.

On a Sahina Park pitch that has lost all of its old life, the bowlers are not likely to have any joy. More likely are big scores from the outstanding batsmen on show: Tendulkar, Mohammad Azharuddin, Brian Lara, Carl Hooper and Shivnarine Chanderpaul. It is a scenario India would favour as a draw to start with would suit their purposes.

Report	Comment	Area open	Lead open	Low tm	Upp tm	Forecast
ANDORRA						
Pan de la Casa	Lower lower down	100%	19.2	100	155	Blue shes
Bolides/EI Tarter	Best on north-north run	100%	15.2	35	160	Some dust
AUSTRIA						
St Anton	Spring snow conditions high up	80%	27.2	15	270	Changeable
Wendland	Wet base and wet pm	90%	27.2	20	40	Unsettled
CANADA						
Transitair	...On powder snow	100%	28.2	40	90	Many sun:
FRANCE						
Les Arres	Best skiing at high snow	95%	27.2	100	265	Clear, sun:
Semnoz	Solt to dry snow	99%	27.2	30	225	Sunshine
ITALY						
Courmayeur	Lower run patchy in places	96%	24.2	30	150	Mostly fine
Folgarida	Wet snow at lowest levels	75%	24.2	30	90	Variable
SWEDEN						
Åre	Generally thin packed snow	100%	25.2	70	105	Cloudy
SWITZERLAND						
Vorles	More frost still good	100%	27.2	35	110	Light cloud
Villars	Major slopes still best	95%	27.2	20	109	Light cloud
UNITED STATES						
Steam Valley	Machine groomed snow	90%	23.2	165	440	Overcast
Siwash	Groomed or packed snow	100%	3.3	200	270	Cloudy

■ BBC Television are breaking with tradition and showing both of the season's final Five Nations matches live. The BBC plan to show France's match against Scotland in Paris and Wales' game against England in Cardiff simultaneously. France will have the first half of their Grand Slam decider shown on BBC1, with the second half switching to

Mon - Fri 9am - 7pm, Sat 9am - 5pm

Part-timers ready for Liverpool test

Football

Liverpool continue their campaign to join the elite band of teams to win all three European competitions when they travel to Norway to meet Brann Bergen in the quarter-finals of the European Cup-Winners' Cup tonight.

The part-timers of Brann have not played a competitive match since October - although that game completed an impressive two-leg victory over the Dutch League leaders PSV Eindhoven. They have spent the last two months training in warmer areas of Europe, most recently in Spain where they played against Spanish First and Second Division sides.

Kjell Tennfjord, the Brann coach, will look to his strikers Tore Andre Flo and Mons Ivar Mjelde to continue their prolific

partnership. Flo scored 19 goals last season while Mjelde has already recorded six in this European campaign.

Mjelde has had a bad dose of flu, but should recover in time for the match. However, two players who definitely will not be taking part are the Icelandic international goalkeeper Birki Kristjánsson and the midfielder Jan Ove Bednesen, who were not re-registered in time after playing away on loan.

Roy Evans, the Liverpool manager, will be delaying naming his team until as late as possible, but will have to shuffle his defence. The Norwegian defender Bjorne Tore Kvarme is ineligible while Mark Wright injured a leg in Sunday's 1-0 defeat by Aston Villa and has not travelled with the side to Norway. Phil Babb and Neil Ruddock look likely to step in alongside Dominic Matteo.

Evans' main concern will be to keep a clean sheet, but he is hoping that Robbie Fowler rediscovers his goal touch should a chance arise. The striker has made some glaring misses in recent weeks and although his appetite and confidence appear undiminished, a goal would obviously be welcome.

Attitude, as much as ability, will be in demand on what is likely to be a bitterly cold night in the west of Norway. Fowler could never be accused of lacking in either department and his strike partner, Stan Collymore, may also have to dig deep into his reserves.

Liverpool made their reputation in Europe by snuffing out sides away from home and then destroying them at Anfield. Evans, who was a member of the back-row staff during those glory years, will hope for a similar performance tonight.

More grief for Robson

Barcelona may have to use their third-choice goalkeeper Julen Lopetegui for their European Cup-Winners' Cup quarter-final home leg against AIK Solna tonight.

The Portuguese international Vitor Baia suffered a neck injury in training on Tuesday, while his understudy Carlos Busquets is still recovering from a knock. Bobby Robson, the club's coach, was left with no choice but to call up Lopetegui, compounding the former England manager's problems.

Barcelona were stunned at the weekend by their 4-0 Spanish League defeat at Tenerife, a result that left Robson's side nine points adrift of the leaders Real Madrid.

Apart from Vitor Baia, Robson also be without the midfielder Oscar Garcia, and possibly the Portuguese defender Fernando Couto through injury. Emmanuel Amunike is cup-tied because of previous appearances for his former side, Sporting Lisbon.

However, Robson will be able to call upon the services of his key striker Ronaldo, who missed last week's Spanish Cup game against Atletico Madrid because of international duty with Brazil.

Ronaldo may enjoy himself against AIK, a team regarded as one of the softest options remaining in the competition. The difference between the two sides may become more evident due to the Swedes' lengthy winter lay-off.

Stefan Soderberg, the AIK manager, said yesterday that he was pleased with his team's performance in a Scandinavian club competition held in Cyprus last week. AIK reached the final, which they lost, but beat Norway's Lillestrom in the semi-final.

The Swedish international defender Patrik Englund has not played since a knee ligament operation last October. "We're facing one of the best teams in the world on Thursday, so anything we can do to disrupt them is positive," Soderberg said.

Italy's Fiorentina will be hoping their Argentinian striker Gabriel Batistuta rediscovers his form for tonight's Cup-Winners' Cup quarter-final with Benfica.

With both teams struggling in their domestic leagues, success in Europe offers the chance of

salvaging some glory from a disappointing season.

Fiorentina, with the usually prolific Batistuta suddenly finding scoring difficult, are languishing 12th in the Italian League, only five points clear of the relegation zone. Benfica are third in Portugal - but are 14 points adrift of the leaders, Porto.

"It is a challenge that is going to stimulate both sides. We are going to do everything possible to make the next round," Manuel Jose, the Benfica coach, said.

Both teams have injury problems and several key players cannot be used because they have already played for other teams in Europe this season.

The Brazilian midfielder Amaral, formerly of Italy's Parma, and the Dutch winger Glenn Helder, the former Arsenal player, will both be watching from the stands where they could be joined by Benfica's playmaker Valdo, who has injured his right leg.

Fiorentina will be without the former Everton winger Andrei Kanchelskis and the injured midfielder Massimo Orlando, but the Italians will be happy enough if Batistuta, their inspirational captain, can rediscover his touch in the first leg.

The Argentinian has been criticised for some poor performances recently, but his coach, Claudio Ranieri, believes he will prove his worth against Benfica, twice winners in the European Cup but looking for their first Cup-Winners' title.

"Gabriel [Batistuta] is not the sort of player who gets depressed... I think you'll find that he has a great wish to prove to everybody that he is still the same Batistuta," he said.

Paris St-Germain will be looking for a face-saving victory over AEK Athens in their Cup-Winners' Cup quarter-final first leg tonight.

The holders, aiming for a fifth successive European semi-final, sank to a new low on Saturday with elimination from the French Cup by Fourth Division amateurs Clermont.

PSG came through one crisis after another in the season when they beat Galatasaray 4-0 at home in October to reach the quarter-finals 6-4 on aggregate.

PSV may have title within reach

Sunday's meeting between Feyenoord and PSV Eindhoven could be the match which decides the destination of the Dutch League championship, with Ajax, 26 times champions and four-times European Cup winners, for once only among the also-rans in the Netherlands.

PSV and Feyenoord, who have each won the Dutch title 13 times, are first and second in the standings, with PSV three points ahead. Ajax are down in fifth place, another 15 points adrift.

In recent times, PSV have fared better in the league, winning the championship four times in the last 10 years, compared with Feyenoord's single success in 1993. This season, PSV have again played the better football, particularly in big games, although both sides have failed to make an impact in Europe.

Earlier in the season, PSV beat Feyenoord with a club record 7-2 victory. Recent history in Rotterdam, however, favours Feyenoord, who have not lost at home to PSV in 10 years.

Feyenoord's home form is their traditional strength. Their impressive 50,000 capacity stadium is generally full of noisy, passionate fans - something PSV have never had.

PSV are often considered to be a soulless, clean-cut business club, which is an image that has resulted largely from its long association with the electronics company Philips.

The match lacks the passion of the traditional Dutch "classic" meeting of Ajax and Feyenoord, but is also a sifter occasion.

A rising trend of boogalomania at Dutch games in recent months has caused the mayor of Rotterdam to move the game from the evening to an afternoon kick-off.

Police are hoping that nothing happens on the pitch to incite violence in the stands - unlike a bizarre incident when the two teams met in the late 1970s.

On that occasion, Bertus Quars of PSV was sent off for head-butting a linesman. It later transpired the linesman had butted Quars.



David Ginola (left) and Monaco's Martin Djedjé compare notes

Photograph: Neal Simpson/Empics

Dalglish galled by Ginola's plea

Errant Frenchman adds to woe after loss on Tyneside. Simon Turnbull reports

As if losing to the French League leaders was not bad enough, the Toot Army's mutinous legionnaire made sure Kenny Dalglish woke up after his 46th birthday with a strong Gallic kick to his morning after feeling.

The Newcastle manager could have been excused for wishing Monaco had done him a favour by dropping off David Ginola in the Coté d'Azur on the way home after their 1-0 victory in the UEFA Cup quarter-final first leg at St James' Park on Tuesday.

Ginola, who had been wished they had too, and not merely because of the ire that will have been provoked by his most forthright tilt in public at Dalglish, who has picked him just twice in seven matches.

Dalglish will certainly not have been impressed by Ginola's protestation that he was being "mucked about" and by the Frenchman's claim that Matthew Le Tissier said to him after Southampton's victory at St James' Park last Saturday: "We can't understand why you're not playing all the time. Have you stolen his wife or something?"

The toleration threshold of the Newcastle manager will have been stretched to the very limit, though, by subsequent reports that Ginola's personal manager, Jean Francois Laros,

has had talks with the Marseille director, Marcel Dibi, about the transfer of his client.

A return to his native south of France would undoubtedly suit Ginola, whose father, René, has been a lifelong Marseille supporter, and whose homesick wife, Corinne, used to live opposite Marseille's ground.

Dalglish, however, is likely to be as displeased by any tooting of one of his players as Kevin Keegan was last summer when Ginola's agents attempted to engineer a move to Barcelona.

Keegan became so exasperated by Ginola's fitful form he deemed the 30-year-old surplus to requirements for his last four matches in charge of Newcastle. A parting of the ways now seems inevitable, though it will be on a timescale Dalglish, not his disgruntled player, dictates.

The index finger Shaka Hislop dislocated on Tuesday night is another matter of concern for the Newcastle manager, who faces the prospect of restoring the transfer-listed Pavel St-Just to goalkeeping duty against Liverpool at Anfield on Monday night.

The least of Dalglish's worries yesterday was the return leg in Monte Carlo, where Newcastle will be looking to win by a two-goal margin away from home for the first time in 17 months.

Meanwhile, Dundee United's manager, Tommy McLean, paid tribute to his team after a hat-trick of Bell's Manager of the Month awards. McLean has won the accolade for the third month in a row after a superb run of form by United.

"I am delighted with this award and it is fine recognition for the efforts of the players at Dundee United in recent weeks," McLean said. "In win three in a row shows that we have achieved a degree of consistency which is what everyone strives for in football."

It is the first time such a feat has been achieved since the inception of the awards by the Scottish League's sponsors.

FOOTBALL RESULTS

Yesterday
AVON INSURANCE COMBINATION First Division: Birmingham 1, Bolton 1; 2. Liverpool 1, Manchester City 1; 3. Arsenal 1, Norwich 1; 4. Tottenham 1, Watford 1; 5. Leeds 1, Sheffield Wednesday 1; 6. Ipswich 1, Nottm Forest 1; 7. Middlesbrough 1, Preston 1; 8. Blackburn 1, Derby 1; 9. Charlton 1, Millwall 1; 10. Huddersfield 1, Bury 1; 11. Sheffield United 1, Wigan 1; 12. Luton 1, Barnsley 1; 13. Stoke 1, Exeter 1; 14. Reading 1, Millwall 1; 15. Wolves 1, Nottm Forest 1; 16. QPR 1, Nottm Forest 1; 17. Nottm Forest 1, QPR 1; 18. Nottm Forest 1, QPR 1; 19. Nottm Forest 1, QPR 1; 20. Nottm Forest 1, QPR 1.

Today
AVON INSURANCE COMBINATION First Division: Birmingham 1, Bolton 1; 2. Liverpool 1, Manchester City 1; 3. Arsenal 1, Norwich 1; 4. Tottenham 1, Watford 1; 5. Leeds 1, Sheffield Wednesday 1; 6. Ipswich 1, Nottm Forest 1; 7. Middlesbrough 1, Preston 1; 8. Blackburn 1, Derby 1; 9. Charlton 1, Millwall 1; 10. Huddersfield 1, Bury 1; 11. Sheffield United 1, Wigan 1; 12. Luton 1, Barnsley 1; 13. Stoke 1, Exeter 1; 14. Reading 1, Millwall 1; 15. Wolves 1, Nottm Forest 1; 16. QPR 1, Nottm Forest 1; 17. Nottm Forest 1, QPR 1; 18. Nottm Forest 1, QPR 1; 19. Nottm Forest 1, QPR 1; 20. Nottm Forest 1, QPR 1.

Doubt cast on Imola surface

Motor racing

Oreste Dominioni, the lawyer defending Frank Williams, the Formula One team owner charged with manslaughter after the death of Ayrton Senna, yesterday raised doubts about conditions at the Imola track.

The defence rejected charges that the crash which killed the triple world champion at the 1994 San Marino Grand Prix was caused by faulty engineering by the Williams team in steering wheel modifications.

Dominioni said the prosecution had failed to investigate fully the possibility that Senna's death may have been due to possible "anomalies in the asphalt" which could have caused cars "to become unstable".

However, Roberto Landi, defending the accused Imola officials, Federico Bendinelli and Giorgio Poggi, told the court later that the track had been "absolutely normal".

The trial continues on 11 March.

American football

Deshaun Howard, the Green Bay Packers' Super Bowl Most Valuable Player, has agreed to a four-year contract with the Oakland Raiders. The Raiders' 10th pick in the draft, Howard, was a first-round pick in the 1996 NFL Draft.

Howard, a 6'5" 245 lb running back, was drafted by the Raiders in the first round of the 1996 NFL Draft. He was the 10th overall pick.

Howard's agent, Steve Kohn, said the deal was a "win-win" for both sides. Howard will be a key player for the Raiders in the coming years.

Howard's contract is worth \$12 million over four years. He will be a key player for the Raiders in the coming years.

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Basketball

NBA All-Star Game: The New York Knicks defeated the Los Angeles Lakers 121-107. The Knicks' Steve Nash was the MVP of the game.

The Knicks' Steve Nash was the MVP of the game. He scored 22 points and 11 assists.

Nash's performance was a key factor in the Knicks' victory. He was a key player for the Knicks in the coming years.

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Cricket

England's hopes of reaching the finals of the men's World Cup are virtually over after they suffered their second defeat in consecutive days at the qualifiers in Kuala Lumpur yesterday. They followed Tuesday's 2-1 defeat to Belgium by losing 3-1 to South Korea, for whom Seung Seung Lee scored a hat-trick.

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Hockey

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Pools dividends

LITTLEWOODS: Treble chances: 24 pts £10,280.80; 25 £178.20; 26 £18.50; 27 £5.50. Four draws £11.70. 30 home £855.00. Five ways £13.55.

VERNON: Treble chances: 24 pts £5,289.10; 25 £102.35; 26 £15.50. Super Shots £188.00. Premier 10 £436.00. BATTERS: Treble chances: 24 pts £108.75; 25 £5.10; 26 £0.85. Four draws £10.35. The Jaws £28.55. Eight homes £37.50.

ZETTES: Treble chances: 24 pts £1,446.65; 25 £10.75; 26 £1.50; 27 £0.30. Super Jaws £46.10. £10.75. £1.50. £0.30. Four draws £11.50. Eight homes £14.80. Four ways £3.00. Super 7 £234.60.

RUSSIAN LEAGUE: Treble chances: 24 pts £1,446.65; 25 £10.75; 26 £1.50; 27 £0.30. Super Jaws £46.10. £10.75. £1.50. £0.30. Four draws £11.50. Eight homes £14.80. Four ways £3.00. Super 7 £234.60.

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TODAY'S NUMBER

500,000

The number of dollars owed by Roscoe Tanner in child support. A warrant has been requested by New Jersey prosecutors for the 1979 Wimbledon finalist's arrest.



One lap wonder
Mike Rowbottom meets the rapid
Jamie Baulch, page 24

sport

Pompey times

Ken Jones talks to Terry Fenwick
about management, page 24



No complaint by Reed over replacement

Football
ADAM SZRETER

Mike Reed, the Birmingham referee at the centre of the storm surrounding Chelsea's extra-time penalty winner against Leicester in their FA Cup fifth-round replay last week, has refused to be drawn on the decision by the Premier League to replace him for the Chelsea-Leicester match at Stamford Bridge next month.

Reed's decision incensed the Leicester fans and his car, which also contained members of his family, was attacked at traffic lights in London on the way home. On Monday police expressed reservations about the wisdom of Reed being allowed to referee the game on 19 April because of fears for his safety. It led to the Football Association saying it was "likely" that Reed would be replaced if a request was made by the police.

However, it was the Premier League which took the decision to axe Reed. A statement read: "The FA Premier League have decided to appoint a replacement for Mike Reed for the Chelsea-Leicester City game in April. The decision has been taken after careful consideration of the various factors involved and in consultation with the appropriate interested parties."

Reed said: "I have no comment to make. The statement from the Premier League says it all. That's enough as far as I am concerned." When asked if he was happy with the decision, he repeated his previous comments.

Leicester's manager Martin O'Neill branded the 117th-minute penalty decision, which led to Chelsea's defender Frank Leboeuf scoring the winner from the spot, as "disgraceful". But O'Neill and his Chelsea counterpart, Ruud Gullit, came out against the use

of technology to aid officials and the possibility of taking up that option was ruled out by Fifa at its weekend annual meeting. O'Neill also said at the weekend that he was happy for Reed to take charge of the next meeting of the two clubs.

Two FA charges against Bruce Grobbelaar will remain on the books while the goalkeeper and his fellow-accused await the outcome of any trial in the Winchester Crown Court match-fixing case.

Meanwhile, it looks certain that the FA will redraft its rules governing betting on games. "Everything is on hold until the full criminal proceedings have been completed," the FA spokesman Steve Double said. "We are constantly reviewing FA rules, including those relating to betting and that was made clear some time ago."

Roger Stanislaus yesterday scrapped plans to launch his return to football with the Second Division strugglers Notts County following his 12-month ban. The 23-year-old former Brentford and Leyton Orient defender, who became the first English footballer to fail a drugs test in February last year, was lined up to play for County's reserves against Wolves last night. However Stanislaus, who was sacked by Orient after testing positive and has been training at Meadow Lane this week, decided to withdraw from the game.

Sam Allardyce, the County manager, had earlier indicated he would consider offering Stanislaus, who was banned for 12 months after testing positive for cocaine in December 1995, a contract if he had shaped up well in the game.

Nicolas Anelka, Arsenal's 17-year-old signing from Paris St-Germain, made his debut for the Gunners in yesterday's reserve-team game against Norwich City as a half-time substitute after his international clearance arrived during the first half of the match.

Ferguson refuses to release players

GUY HODGSON

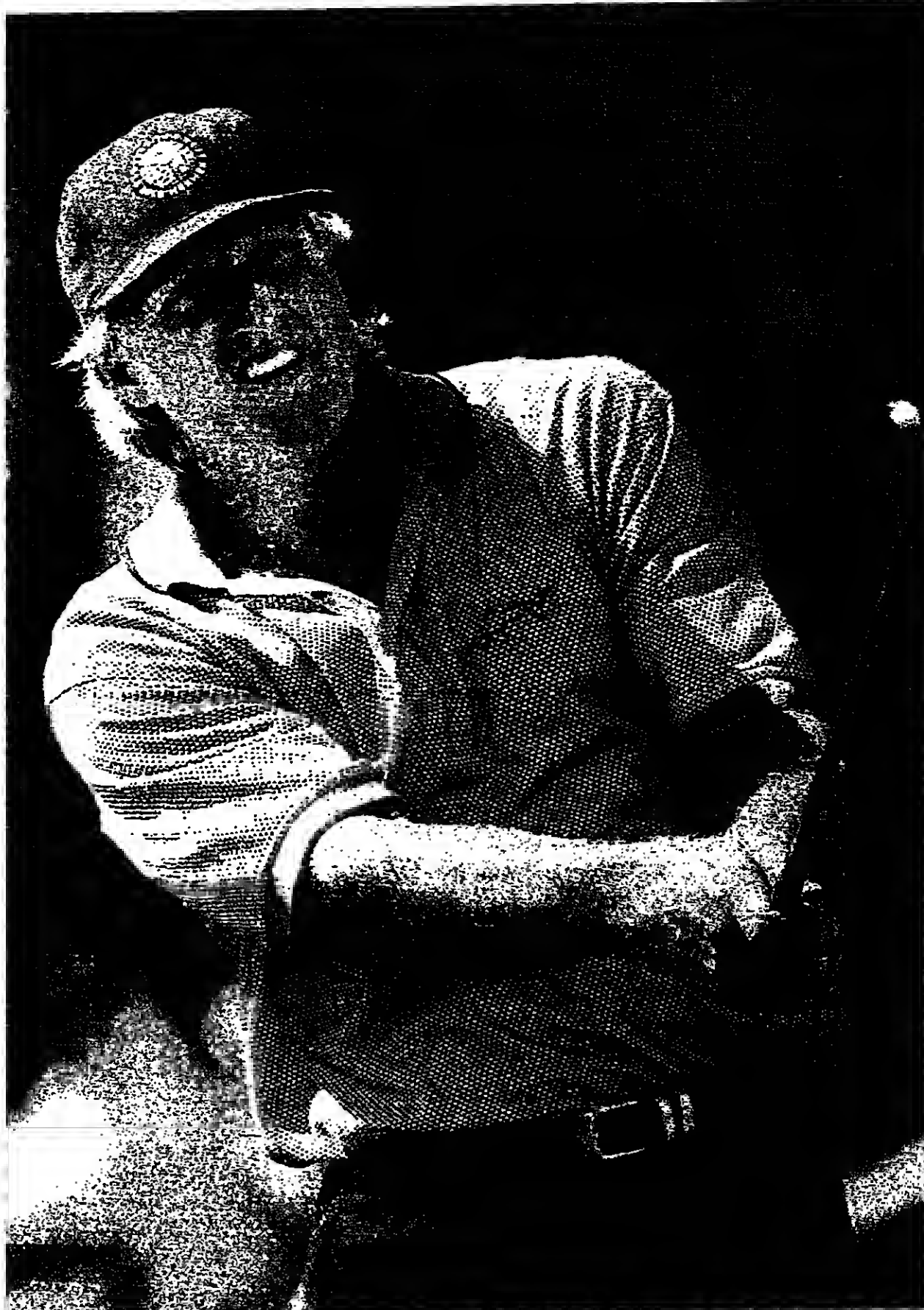
The perennial club versus country dispute will be aired again this summer when Alex Ferguson refuses to release his Manchester United players for England duty.

England's coach, Glenn Hoddie, will need his powers of persuasion to prevent the international tournament in France descending into no more than a run out for his reserves. Fifa, the world governing body, confirmed yesterday that English club managers will be free to withdraw their players from the tournament, which begins on 3 June and is classified as a series of friendly matches. As such club managers have the right to refuse to release their

players. Ferguson has said he will exercise that right while Liverpool's manager Roy Evans has described the event as "crazy". England are due to meet Brazil, Italy and the host country over 10 days in June but Ferguson has already said his players will not be available.

Ferguson said: "This summer will be a rest for Manchester United players. Some of them will be playing in World Cup qualifiers on 8 June. We can't do anything about that but we can about the others."

"Over the last few years we've played an average of 50 games and this season will be no different. Then there are internationals and friendly internationals. It's such a strain and with young players it can't be done."



Greg Norman prepares to take on the world's best golfers today in the Doral-Ryder Open in Miami. Photograph: AP

Pressure for Ryder Cup change

Golf

Sentiment for change in qualifying rules for the European Ryder Cup appears to be growing as it becomes increasingly clear that several major European players will not qualify.

Seve Ballesteros, the European captain, complained last week that his players should be able to pick up Ryder Cup points in the more significant PGA Tour events, such as this week's Doral-Ryder Open, and wants to be allowed to make four choices this year and not two, as the case now is.

But while Colin Montgomerie supports the Spaniard's line, Sam Torrance, who plays in the Moroccan Open in Agadir this week in search of Ryder Cup points, thinks three picks plus nine selected automatically would be the ideal choice.

Montgomerie leads the Eu-

ropean Ryder cup points list, but Nick Faldo, Bernhard Langer and the Swede Jesper Parnevik are among the leading players who do not look likely to qualify. Faldo's victory on Sunday in Los Angeles earned no points since only the major championships played in the US count for European Ryder Cup points.

Parnevik has two seconds and a third on the PGA Tour this year but has received no Ryder Cup points for his efforts. Another European likely not to make the Ryder Cup team is Jose Maria Olazabal, who returned last week after missing 18 months of competition because of foot problems.

"I'm sure Seve would love Olazabal at 85 per cent," Montgomerie said. "He can handle the pressure and that's what it's all about."

Olazabal, who teamed with Ballesteros in several Ryder Cups to form a virtually un-

beatable duo, proved he can still play by shooting a 65 in the third round at Dubai.

"It's not too late to change," Langer, who is 18th on the European list, said about altering the selection process. "We've got seven months to go. I would strongly support any move to get more picks."

The European team can establish its own qualifying rules but officials have shown no inclination to modify the rules.

Torrance, hoping to play in his ninth successive Ryder Cup in Valderrama, Spain, in September, thinks that for the captain to have four picks is too many. "It is imperative to play our best team. But I would suggest three picks, not four," he said. "That's because I think you also need to give more opportunities to the players on the European Tour. Then there would be no controversy."

"We had only two picks last time, Ian Woosnam missed out

and only got into the team because Jose Maria Olazabal dropped out. You don't want to go into a Ryder Cup without someone like Woosie."

"With the way Jesper Parnevik is playing in the United States, he is looking like a certain pick and Nick Faldo will be in the team whether he qualifies or not. Then there is Olazabal coming back, and Woosie and Bernhard Langer to consider."

"They may all play more in America and what if only two of them qualify? Someone we need in the team will miss out."

Torrance is ninth on the Ryder Cup points table but he has made no headway since the beginning of the year. That is because he missed the half-way cut in the two Australian tournaments at the end of January and has had the last month off.

"It was sad to miss the two cuts in Australia, but now I've got to get in there and get in four good rounds this week," he said.

Hogan is driving force for Faldo

The Doral-Ryder Open in Florida brings the PGA Tour to the East Coast of the United States today - and with it most of the leading names beginning their run-up to the Masters.

Greg Norman, Ernie Els, Nick Price, Mark O'Meara, Colin Montgomerie, Phil Mickelson, Fred Couples, Vijay Singh and Jesper Parnevik are among those joining the Masters champion Nick Faldo, the US Open winner, Steve Jones, and the PGA champion, Mark Brooks.

The two biggest names missing will be the Open champion, Tom Lehman, and Tiger Woods. The young American took the week off to be with his father, who has just been discharged from hospital following heart bypass surgery.

Montgomerie, who has topped the European Tour money list for the last four years, will play seven consecutive weeks in the United States as he tries to break through and finally win a major championship.

The Doral will be Norman's first PGA Tour event since the Tour Championship last October in Tulsa, Oklahoma. Frank Nobile of New Zealand, one of the leading lights of the European Tour, joined the PGA Tour this year, finishing 17th in his first event at the Nissan Open, eight strokes behind Faldo. Nobile, who has had four top-10 finishes in major championships the last three years, will also be at Doral.

Faldo has entered a phase of his career where his main opponent is history - names like Jack Nicklaus, Bobby Jones, Walter Hagen, Ben Hogan and Gary Player. The flesh-and-blood opponents - Norman, Montgomerie and Els this week at Doral, for example - are mere incidentals who occasionally get in the way on Faldo's assault on posterity.

"When Faldo stands on the course with his arms folded his body language is saying that he's the only person on the course," Tom Lehman said about Faldo's intensity.

Faldo never hits a careless shot. Yet there are times - when he is not in his major championship mode, when he is out of contention - when it seems like he is trying to perfect something he can use on another, more important day.

"I think I'm a player who has to be inspired," Faldo said after winning at Riviera last weekend. "I think it's everything, the atmosphere, the golf course, everything."

The victory was Faldo's sixth on the PGA Tour - and three of those earned him the Masters. Green Jacket. "I can't not one who can just roll up and play," Faldo said. "I need something to get me going. His inspiration at Riviera last weekend was one of the greats whose achievements he is attempting to emulate."

"This is not just another win," Faldo said. "Riviera has made no headway since the beginning of the year. That is because he missed the half-way cut in the two Australian tournaments at the end of January and has had the last month off."

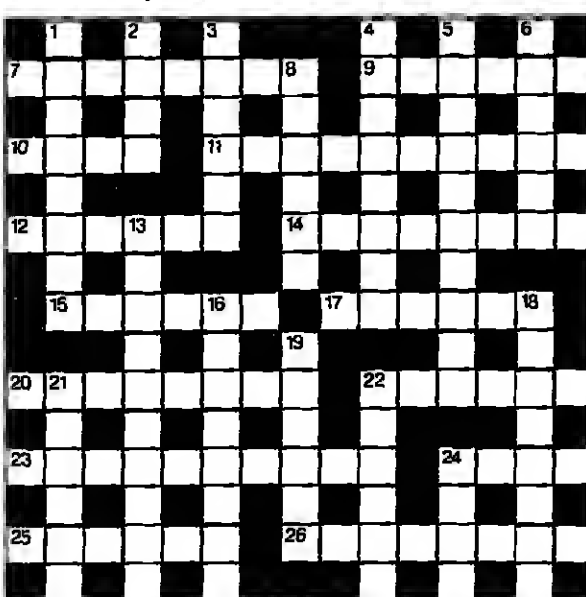
"It was sad to miss the two cuts in Australia, but now I've got to get in there and get in four good rounds this week," he said.

THE INDEPENDENT CROSSWORD

No. 3239, Thursday 6 March

By Miss

Wednesday's solution



- ACROSS**
- Deviated in contract, grabbing trick back (8)
 - Waterproof without question? How can one tell? (6)
 - One in group making a pile (4)
 - Garbage is thinning out with skip (10)
 - Lady's without silver for the bill (6)
 - Two Rads contrived to keep unionist away from centre (8)
 - Sets about punctures (6)
 - Slow movement gets a soldier in trouble (6)
 - Is caught in port, see (8)

- DOWN**
- Unwell consuming phosphorus precipitate (6)
 - Gushed about male, the European producing flush (4-6)
 - Beef's tender round North (4)
 - Direction includes strait - not much of a sound (6)
 - Edifying short address Ray composed (8)
 - Bishop always has time for a drink (8)
 - Vehicle, bit of a trailer? (4)
 - Strong affiliation (6)
 - One with bouquet vo-

- 5** Queen has a drop (including dash of rum) in court (10)
- 6** Got through? Letter turned up in flat (6)
- 8** Model needs work: is this helping (6)
- 13** Coherent - certainly not unhinged! (10)
- 16** Commented about rival getting married (8)
- 18** Not distinguished enough for the bar (8)
- 19** Fishes run in rings (6)
- 21** I run on rough fuel that's fuming (6)
- 22** Create confusion after Sunday joint... (6)
- 24** ... joint with lots of wine (4)

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Wigan exiled by £12m Central Park sale

Rugby League
DAVE HADFIELD

Wigan will leave both Central Park and the town within two years following the club's sale of its ground for more than £12m to Tesco. The game's most successful club will move in with Bolton Wanderers at their new ground in Horwich, until they can build a new stadium in Wigan itself.

"It has always been our desire to play in a modern, state-of-the-art stadium in Wigan and this deal is buying us time," the club's chairman, Jack Robinson, said.

The deal was immediately attacked by the chairman of Wigan Athletic, whose plan to buy Central Park and redevelop it for joint use had been approved by a meeting of the rugby club's shareholders in January.

"This is a disastrously sad day for Wigan," said Dave Whelan, who added that Robinson and his fellow-director, Tom Rathbone, had "completely and utterly disregarded the views of the shareholders".

Whelan, the former Blackburn Rovers full-back and multi-millionaire who has long sought an involvement with the rugby club, is also exploring whether he could challenge the

directors' legal right to enter into the contract with Tesco.

Robinson, on the other hand, regards the board as having no choice but to accept the improved Tesco bid, which was three times Whelan's offer. He has also described the terms of the lease under which Wigan would have rented Central Park - their home since 1902 - from Whelan as "a financial straitjacket".

As for riding roughshod over the shareholders, Robinson argues that circumstances have changed radically, with the improved offer from Tesco and the revelation of the Whelan lease.

"We have a duty to get the

best deal possible - and this is it," Robinson said.

The availability of the new ground in Horwich gives Wigan breathing space, although the idea of moving out of the borough is not popular with the club's spectators.

"As a short-term, stop-gap arrangement they may feel very differently about it," Robinson said.

How short-term it will be, however, depends on Wigan successfully finding and developing a new site in the town, something they can only do in co-operation with the local council. However, relations with the borough have often been

less than harmonious in the past.

Robinson admitted that the availability of an alternative ground nearby might improve the club's bargaining position with the council. But, as Richard Gee, the club's development advisor, put it: "Our primary intention is to build a new ground within the Wigan boundary, but we can't say categorically that we are going to be able to do it. We've got the will and the desire to do it, but we need the same willingness from the council."

Failing that, the exile of rugby league's most famous name could be a long one.

GERMAN TYRE ENGINEERS GET VERY EXCITED ABOUT FIVE WHEELS
BUT CAR COMPANIES ONLY LEAVE SPACE FOR TWO

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